

# Corporation Income Tax Returns, 1998

by Patrice Treubert and William P. Jauquet

Despite the continued growth in the U.S. economy in 1998, corporate pre-tax profits reported on income tax returns for 1998 declined from 1997 levels, ending 6 years of growth. The growth rate in the gross domestic product, or GDP (determined by the U.S. Bureau of Economic Analysis) was 5.7 percent for 1998 (in constant dollars), but overall pre-tax profits (less losses) on corporate tax returns for Tax Year 1998 were down by 8.4 percent to \$838.2 billion. Although total receipts increased by \$0.7 trillion to \$17.3 trillion, total deductions, including cost of goods sold, increased by \$0.8 trillion to \$16.5 trillion. The number of corporations reporting pre-tax profits increased by 4.3 percent to 2.8 million; their pre-tax profits, however, dropped by \$0.03 trillion to \$1.09 trillion. In contrast, the number of corporations reporting net losses increased only 1.2 percent even though their net losses increased by \$0.05 trillion to \$0.25 trillion.

The overall decline in pre-tax profits was reflected in the amount reported as “income subject to tax” (the tax base for income purposes), which dropped to \$663.4 billion, a decline of \$20.4 billion from 1997 levels. Paralleling the decline in income subject to tax, “total income tax before credits” declined 3.3 percent to \$231.4 billion. “Total income tax after credits” (the amount payable to the U.S. Government) decreased as well, but only by 1.4 percent to \$181.5 billion. Income tax after credits did not decrease as much as income tax before credits because tax credits also decreased significantly. Most of the decrease in tax credits was from the foreign tax credit, which dropped 11.4 percent to \$37.4 billion.

Tax Year 1998 was the first year corporate filers reported their primary business activities using the North American Industry Classification System (NAICS). NAICS, which was developed as a result of the North American Free Trade Agreement (NAFTA), was designed to more accurately describe

current business activities and to standardize business categories for operations in the United States, Mexico, and Canada. Tax Year 1997 was the last year that Standard Industrial Classification (SIC) codes were used on corporate tax returns to classify corporations, causing a break in the year-to-year comparability of SOI data. In order to make comparisons for the purposes of this article, Tax Year 1998 data under NAICS were reclassified to their SIC equivalents as far as possible. The year-to-year industrial comparisons which follow employ the reclassified data by SIC and corresponding SIC terminology. Unless otherwise stated, comparisons are made to Tax Year 1997 statistics. The tabulations and figures in this article contain industry details that are based, as labeled, on either the NAICS or the SIC system.

## Corporation Returns Overview

Corporate tax returns are divided among the eight principal form types (Figure A). The different form types represent different taxable entities, (except for Form 1120-A, a short form of the regular Form 1120) with varying characteristics and relative importance. Form 1120S filers are by far the most numerous, while regular Form 1120 filers are responsible for the majority of assets, total receipts, and “net income (less deficit).” The remaining forms (Forms 1120-RIC, -REIT, -F, -L, and -PC) concern more specifically defined legal entities. The estimated number of all active corporation income tax returns filed for Tax Year 1998 increased 2.9 percent to 4,848,888 from 1997[1].

The largest corporations tend to be Form 1120 filers, and, thus, Form 1120 filers were responsible for 66.9 percent of total corporate assets for 1998. Form 1120 filers can be consolidated (having a parent company and at least one subsidiary) or non-consolidated, whereas Form 1120-A filers must be non-consolidated. Corporations under certain thresholds for income and assets are allowed to file Form 1120-A, a short form on which certain tax credits may not be claimed.

Some corporations pass through reported income and deductions to their shareholders and, in general, pay no Federal income taxes directly. These corporations, called pass-through entities, file Forms 1120S (the subchapter S tax return), 1120-RIC (the tax return for regulated investment companies), or 1120-

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Figure A

## Number of Returns, Total Assets, Total Receipts, and Net Income (Less Deficit), by Return Type, Tax Year 1998

[Money amounts are in thousands of dollars]

Return type	Number of returns	Total assets	Total receipts <sup>1</sup>	Net income (less deficit) <sup>1</sup>
	(1)	(2)	(3)	(4)
<b>All return types.....</b>	<b>4,848,888</b>	<b>37,347,352,986</b>	<b>17,323,955,004</b>	<b>838,223,591</b>
Regular Form 1120 filers.....	2,233,729	24,969,419,440	12,611,690,795	476,520,736
Form 1120.....	2,021,928	24,957,875,065	12,588,599,956	476,233,105
Form 1120-A.....	211,801	11,544,375	23,090,839	287,631
Form 1120S.....	2,588,088	1,455,483,439	3,061,133,169	124,859,425
Form 1120-RIC.....	9,897	5,872,146,635	224,686,615	157,834,251
Form 1120-REIT.....	932	480,022,293	41,635,675	23,283,687
Form 1120-F <sup>2</sup> .....	10,996	--	87,754,676	-1,759,178
Form 1120-L.....	1,621	3,172,259,821	748,937,752	31,948,169
Form 1120-PC.....	3,624	1,398,021,357	548,116,322	25,536,499

<sup>1</sup> Excludes net long-term capital gain reduced by net short-term capital loss of regulated investment companies (Form 1120-RIC) and investment income, including capital gains, of S corporations (Form 1120S, qualifying corporations electing to be taxed through their shareholders).

<sup>2</sup> Income from foreign corporations (Form 1120-F) which are effectively connected with the conduct of a trade or business in the U.S. is included in the statistics, while assets reported on 1120-F returns are not included in the statistics on the assumption that they may include large amounts of assets held abroad that have little to do with U.S. operations.

REIT (the tax return for real estate investment trusts). S and REIT corporations must meet specific ownership requirements in order to file their respective forms, while RIC and REIT corporations must also meet certain requirements in terms of purpose (restricting the business activity of these corporations to types of investing), income (regulating their sources of income), and assets (regulating the type of assets held).

As their name implies, Regulated Investment Companies (RIC's) and Real Estate Investment Trusts (REIT's) make investment decisions for their owners. REIT's make up a small portion of the total number of returns, only 932 returns for 1998. RIC's are mutual funds and must file a separate return for each type of fund. Since RIC's are more popular, have wider investment options, and also have the requirement not to consolidate, their numbers and assets are more than 10 times that of REIT's. For the purpose of these statistics, net long-term capital gain (reduced by net short-term capital loss) for RIC's was excluded from income and pre-tax profits, or "net income (less deficit)" in the statistics. These gains are not included in ordinary income, and, therefore, no deductions may be taken against them. In addition, RIC net long-term capital gains were not included in the statistics because they are taxed at a rate different from ordinary income.

Despite predictions that S filings would drop when the Revenue Reconciliation Act of 1993 in-

creased the personal income tax rates (making corporation tax rates more attractive and assuming S filers would switch to filing Forms 1120), the number of 1120S returns continued to increase and finally surpassed the number of all other corporate return types starting with Tax Year 1997 (Figure B). The number of 1120S returns accounted for 53.4 percent of all corporate returns filed. For purposes of these statistics, investment income (including capital gains) of S corporations was excluded from income, deductions, and pre-tax profits because these amounts were not derived from an S corporation's trade or business [2].

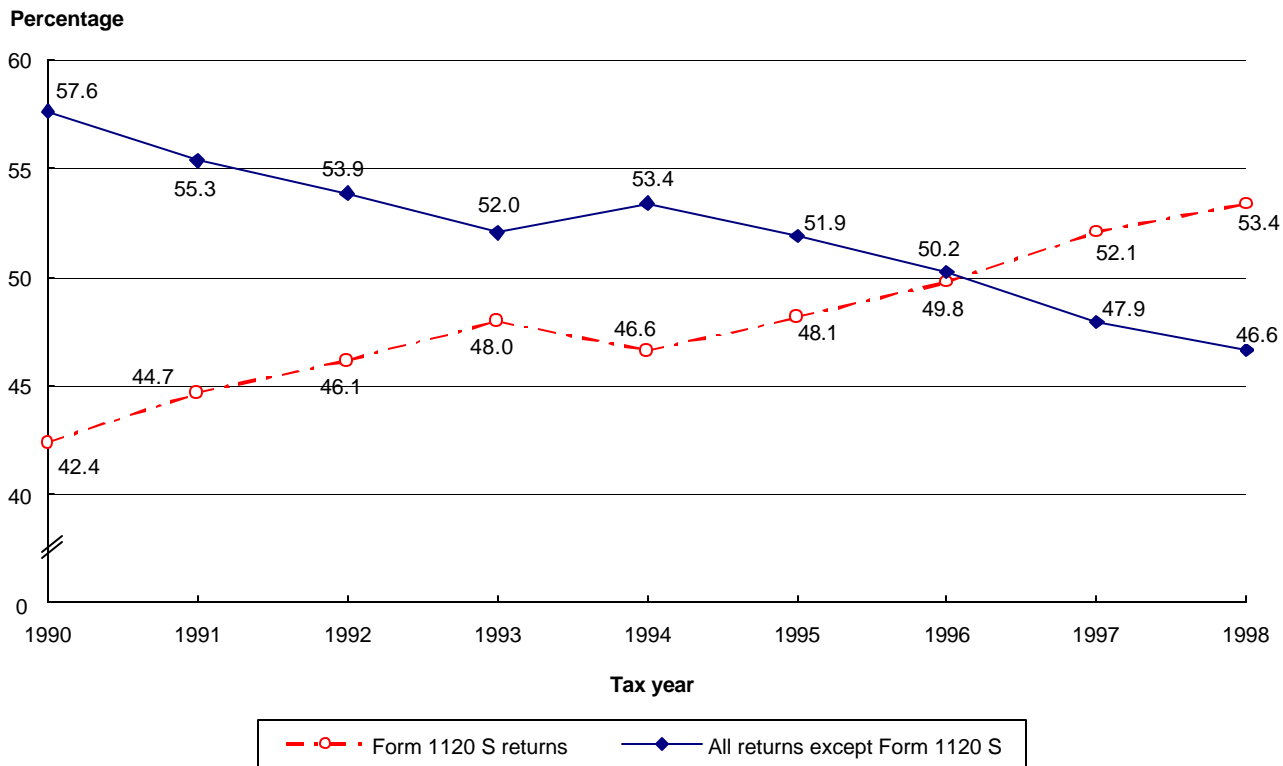
Form 1120-F filers are generally corporations incorporated abroad but owning U.S. operations. Income from foreign corporations (that file Form 1120-F) effectively connected with the conduct of a trade or business in the U.S. was included in the statistics. Balance sheet data were not included in the statistics on the assumption that they may include large amounts of assets and liabilities held abroad that have little to do with U.S. operations. There were 10,996 Forms 1120-F filed for 1998 with a total of \$87.8 billion in total receipts.

Insurance companies file Forms 1120-PC (the property and casualty insurance tax return) and 1120-L (the life insurance tax return). Life insurance companies generally issue life insurance and annuity contracts, either separately or combined with health and accident insurance. To file an 1120-L, a firm

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Figure B

Percentage of Returns by Type, Tax Years 1990-1998



must also satisfy a specific test concerning the amount of assets held in reserve to cover payments pursuant to these contracts. 1120-PC filers are generally insurance companies other than those that meet the requirements for filing the 1120-L. The statistics for Forms 1120-L and PC do not include insurance companies that filed as an affiliate of a non life-insurance company, where the non-life businesses reported the most total receipts in the consolidation. The number of insurance returns, excluding these affiliates, makes up about 0.1 percent of the total filings and about 12 percent of the total assets.

As shown in Figure C, the number of returns increased in seven out of the eight industrial divisions. For the first time since 1994, the finance, insurance, and real estate division, led by security and commodity brokers and services, surpassed the services division as the division with the largest increase in the number of returns. While the finance, insurance, and real estate division gained 27,317 returns to 771,862, the transportation and public utilities division reported

the next largest gain, increasing 21,444 to 230,856. The services division's increase dropped to third largest (by 19,902 to 1,612,756) due to decreases in business services and amusement and recreation services. Returns in these two classifications decreased in total by 47,637 to 521,041. However, personal services offset a large portion of the loss by increasing 37,016 to 132,823.

### Net Income and Income Statement

Pre-tax corporate profits for Tax Year 1998 decreased for the first time since 1991 (Figure D). Pre-tax profits, or "net income (less deficit)" in the statistics, decreased from \$915.4 billion for 1997 to \$838.2 billion for 1998, an 8.4-percent decline (Figure C). Net income (less deficit) does not include either long-term capital gains reported by regulated investment companies or investment and portfolio income, including capital gains, for S corporations [3].

Pre-tax profits excluding that of pass-through entities (or filers of Forms 1120-RIC, 1120-REIT and

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Figure C

## Number of Returns and Net Income (Less Deficit), by Standard Industrial Classification (SIC) Division, Tax Years 1997-1998 <sup>1</sup>

[Money amounts are in thousands of dollars]

Industrial division	Number of returns				Net income (less deficit) <sup>2</sup>			
	1997	1998 <sup>1</sup>	Number change from 1997	Percentage increase over 1997	1997	1998 <sup>1</sup>	Amount change from 1997	Percentage increase over 1997
					Amount	Amount		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
<b>All industries <sup>3</sup>.....</b>	<b>4,710,083</b>	<b>4,848,888</b>	<b>138,805</b>	<b>2.9</b>	<b>915,396,637</b>	<b>838,223,591</b>	<b>-77,173,046</b>	<b>-8.4</b>
Agriculture, forestry, and fishing.....	163,114	172,223	9,109	5.6	2,673,835	1,532,363	-1,141,472	-42.7
Mining.....	32,996	31,467	-1,529	-4.6	9,728,562	1,091,102	-8,637,460	-88.8
Construction.....	487,783	503,139	15,356	3.1	20,522,439	26,764,834	6,242,395	30.4
Manufacturing.....	325,045	342,186	17,141	5.3	305,958,154	256,485,950	-49,472,204	-16.2
Transportation and public utilities.....	209,412	230,856	21,444	10.2	70,984,769	70,354,109	-630,660	-0.9
Wholesale and retail trade.....	1,149,132	1,167,529	18,397	1.6	81,584,637	93,335,921	11,751,284	14.4
Finance, insurance, and real estate....	744,545	771,862	27,317	3.7	373,482,032	351,246,698	-22,235,334	-6.0
Services.....	1,592,854	1,612,756	19,902	1.2	50,470,448	37,736,926	-12,733,522	-25.2

<sup>1</sup> The 1998 data used in this figure have been reclassified to Standard Industrial Classification (SIC) industry codes in order to facilitate comparisons with 1997.

<sup>2</sup> Excludes net long-term capital gain reduced by net short-term capital loss of regulated investment companies and investment income, including capital gains, of S corporations (Form 1120S, qualifying corporations electing to be taxed through their shareholders).

<sup>3</sup> Includes corporations not allocable by industrial division, not shown separately.

1120S) decreased by about the same amount as for corporations in general, down by \$75.3 billion. Pre-tax profits excluding that of pass-through entities were \$532.2 billion, compared to \$607.5 billion for 1997 (Figure D). Although the number of deficit returns (returns without net income) did not increase significantly, the net loss they reported was more than the decrease in pre-tax profits for returns with net income. Deficit filers reported \$50.5 billion more loss, from \$202.4 billion to \$252.9 billion for 1998. Total positive net income for returns that did report pre-tax profits decreased \$26.7 billion, from \$1,117.8 billion to \$1,091.2 billion. Classified by asset size (Table 3), 9,669 returns with total assets of \$250 million or more (0.2 percent of the total) contributed 78.7 percent of total pre-tax profits.

Based on business activity (determined by converting Tax Year 1998 NAICS codes to their SIC equivalents), manufacturers, as well as corporations classified in finance, insurance, and real estate, were primarily responsible for the decrease in pre-tax profits for 1998. Manufacturers, led by petroleum and coal product refiners and manufacturers of electrical and electronic equipment, showed the largest decreases in pre-tax profits. The pre-tax profits in the manufacturing division fell \$49.5 billion, declining from \$306.0 billion to \$256.5 billion (Table

1). Underlying this decrease, total receipts, defined as the sum of business receipts from sales and operations and investment income, was down 1.1 percent for manufacturing, from \$5.2 trillion to \$5.1 trillion.

Manufacturers of electrical and electronic equipment, probably affected by falling prices of computers and peripheral equipment, reported less than two-thirds the pre-tax profits reported for 1997, dropping from \$38.6 billion to \$13.6 billion [4]. Perhaps due in part to competitive pricing, total receipts also dropped for these manufacturers, from \$83.8 billion to \$505.8 billion.

Petroleum and coal products refiners, possibly affected by a significant decline in crude oil prices, reported a \$14.6-billion pre-tax profit decline, which fell 71.1 percent to \$20.5 billion for 1998 [5]. Their total receipts were significantly reduced from 1997 levels and were the net income components most responsible for the change. Total receipts fell by more than one-fourth, decreasing \$149.8 billion to \$433.8 billion, for 1998.

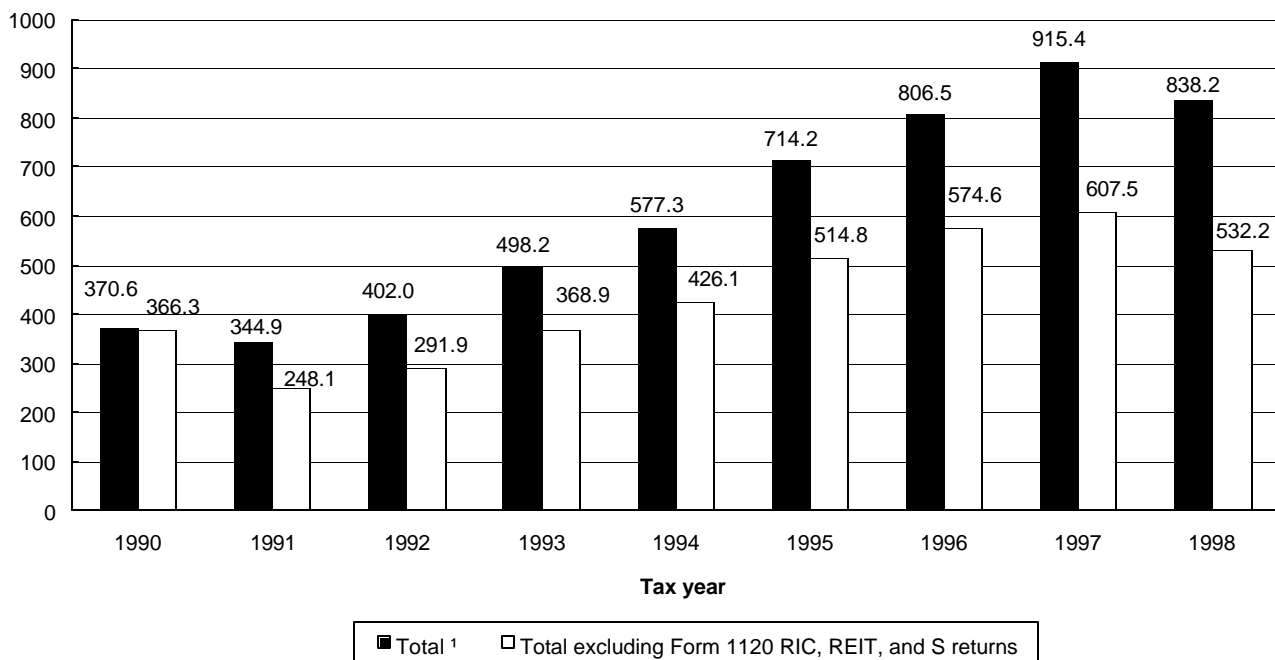
Corporations classified in finance, insurance, and real estate also showed substantial declines in pre-tax profits. For 1998, these corporations reported \$351.2 billion in pre-tax profits, a decline of \$22.2 billion from 1997 levels. Unlike manufacturing, the finance, insurance, and real estate division reported increased

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Figure D

## Corporate Pre-Tax Profits, Tax Years 1990-1998

Billions of dollars



<sup>1</sup> Excludes net long-term capital gain reduced by net short-term capital loss of regulated investment companies and investment income, including capital gains, of S corporations (qualifying corporations electing to be taxed through their shareholders).

NOTE: The term "pre-tax profits" is used interchangeably with "net income (less deficit)." Net income (less deficit) is used primarily in the figures and tables of this article

deductions that exceeded the reduction in total receipts. Total deductions increased by \$364.5 billion, from \$2,304.3 billion to \$2,668.9 billion, primarily due to increases reported by corporations classified in insurance and services involving securities and commodities industrial groups. Together, insurance corporations and security and commodity brokerages accounted for only 21.5 percent of finance, insurance, and real estate pre-tax profits but 57.5 percent of the total deductions. For security and commodity brokerages, total deductions increased by \$116.6 billion to \$302.1 billion, with the interest paid deduction component accounting for the largest increase, from \$43.2 billion to \$122.1 billion. Insurance corporations reported \$1.2 trillion in total deductions, an increase of just under \$0.2 trillion. Cost of goods sold, which is reported death benefits for insurance corporations, was primarily responsible for the increase in total deductions for insurance. Insurance death benefits increased by \$89.0 billion to \$680.9 billion.

Increases in total deductions for finance, insurance, and real estate did not always represent the main source of decreased pre-tax profits for the division. In fact, the major group that lost the most in pre-tax profits did so because of the decline in total receipts. Holding and other investment corporations, primarily regulated investment companies, accounted for more than three-fourths of the \$22.2 billion decline in pre-tax profits reported by finance, insurance, and real estate corporations. Their pre-tax profits fell from \$205.5 billion for 1997 to \$188.4 billion for 1998. Holding and other investment corporations' total receipts dropped from \$309.9 billion to \$290.7 billion, largely due to a decrease in net short-term capital gain (reduced by net long-term capital loss). This capital gain dropped from \$58.5 billion to \$26.7 billion. The regulated investment companies' net short-term capital gain was \$57.8 billion for 1997 and \$26.4 billion for 1998.

The banking industry also reported reduced pre-tax profits, which decreased by \$14.8 billion to \$50.8

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billion for 1998. However, this change was a result of the increase in total deductions exceeding the increase in total receipts. Total deductions increased by \$30.5 billion to \$563.5 billion for banks. Almost half of the increase in total deductions was from interest paid. Interest paid for banking increased by \$15.1 billion to \$277.6 billion.

**Pre-tax profits continued to fall for communications industries, especially in telecommunications, decreasing by \$1.2 billion to \$21.2 billion.**

Service corporations also reported a substantial drop in pre-tax profits for 1998. Pre-tax profits declined \$12.7 billion, from \$50.5 billion to \$37.7 billion. Most of the change was accounted for by business service corporations, which reported larger tax deductions possibly due to higher expenditures and a

tight labor market for 1998 [6]. Business service corporations accounted for over half the decrease of pre-tax profits for the services industrial division, reporting \$24.1 billion for 1997 and only \$12.6 billion for 1998. Increased salaries and wages (as reported on the tax return) and cost of goods sold were the underlying cause of decreased pre-tax profits for the group [7]. Between Tax Years 1997 and 1998, salaries and wages increased from \$119.5 billion to \$136.8 billion, and cost of goods sold rose from \$191.1 billion to \$207.7 billion for business services.

In contrast, pre-tax profits for the wholesale and retail trade combined continued their upward trend, increasing by \$11.8 billion, from \$81.6 billion to \$93.3 billion for 1998. The greatest gains were in retail trade, up by \$10.0 billion from \$45.7 billion to \$55.7 billion, as retailers profited from economic conditions that resulted in increased consumer spending for 1998 [8]. General merchandise retail stores accounted for the largest increases in pre-tax profits as their pre-tax profits increased from \$10.9 billion to \$14.4 billion for 1998. The total receipts for general merchandise retail stores increased from \$44.5 billion to \$439.1 billion. Nearly all types of retail businesses experienced gains in both pre-tax profits and total receipts.

Wholesale trade gains were not as impressive as retail trade growth. Pre-tax profits of wholesalers (distributors) were up by only \$1.9 billion from \$35.8 billion to \$37.7 billion, and their total receipts decreased by \$0.1 trillion, from \$2.2 trillion to \$2.1 trillion. The decrease in total receipts was concentrated in businesses distributing nondurable goods, especially wholesalers of petroleum and petroleum products, whose total receipts dropped by \$65.1 billion to \$128.1 billion. Therefore, the crude oil price decline that may have affected the pre-tax profits of petroleum and petroleum refiners may have also contributed to the decline in pre-tax profits for oil distributors as well [9].

Pre-tax profits for the transportation and public utilities were relatively flat, decreasing slightly from \$71.0 billion for 1997 to \$70.4 billion for 1998. Pre-tax profits continued to fall for the communications industries, especially in telecommunications, decreasing by \$1.2 billion to \$21.2 billion. The decreasing pre-tax profits for communications began for Tax Year 1995 and may be related, in part, to the Telecommunications Act of 1996, which increased competition and lowered prices for telecommunications service in the United States [10]. Communications corporations reporting net losses were primarily responsible for the decrease in their industry, as their losses increased by \$7.0 billion to a \$19.9-billion loss for 1998. Although corporations reporting net losses in the communications industry reported \$17.8 billion more in total receipts, a total of \$107.2 billion for 1998, the total deductions increase exceeded the total receipts change. Total deductions for communications corporations reporting net losses increased by \$24.8 billion to \$127.2 billion. Almost all of the components of total deductions increased for the corporations reporting net losses in the industry, especially miscellaneous deductions (up by \$7.8 billion to \$38.7 billion) and the interest paid deduction (up by \$5.6 billion to \$15.7 billion).

### Income Tax and Credits

Income subject to tax (the base on which the regular corporation income tax is computed) declined to \$663.4 billion, a 3.0-percent drop from 1997. For most returns, income subject to tax equaled positive net income minus certain "statutory special deductions" [11]. The reduced income subject to tax

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resulted in a drop in the corporation income tax (before reduction by credits) to \$231.4 billion, a fall of 3.3 percent, or \$8.0 billion less than for 1997 [12]. This drop in corporation income tax followed 2 consecutive years of record highs for 1996 and 1997.

Total statutory special deductions decreased 7.9 percent to \$261.3 billion for 1998 (Figure E). Approximately 70 percent of this total and 76 percent of the current year's decrease were accounted for by holding and other investment companies. This major group includes regulated investment companies and real estate investment trusts, which are required to distribute most of their net incomes to shareholders for taxation and are allowed special deductions for dividends paid as a result.

One-fifth of total statutory special deductions was accounted for by the \$52.7-billion net operating loss deduction (NOLD), a decrease of 12.8 percent

from \$60.4 billion for 1997. The NOLD had been increasing prior to 1998 primarily because rising pre-tax profits had allowed many corporations with positive net income to deduct much of their accumulated NOL carryovers. In general, "net operating loss deductions" were the net deficits shown in the prior years' statistics (excluding those of S corporations whose deficits were allocated to their shareholders in the year they occurred), augmented by "unused" portions of the deductions for intercorporate dividends received and for dividends paid on certain preferred stock of public utilities. With a marginal increase in corporations reporting net losses and less positive net income for 1998, fewer companies were able to claim the deduction for 1998.

Manufacturers led the decrease in the NOLD, claiming \$15.6 billion of the deduction for 1998, which was \$2.9 billion less than for 1997. Within manufac-

Figure E

### Statutory Special Deductions, Income Subject to Tax, Selected Tax, and Tax Credit Items, Tax Years 1997-1998

[Money amounts are in thousands of dollars]

Item	1997	1998	Percentage increase
	(1)	(2)	(3)
<b>Statutory special deductions, total</b> .....	<b>283,617,063</b>	<b>261,305,651</b>	<b>-7.9</b>
Net operating loss deduction.....	60,396,894	52,678,450	-12.8
Dividends received deduction.....	23,043,548	23,951,279	3.9
Public utility dividends paid deduction.....	51,983	37,798	-27.3
Deduction for dividends paid by regulated investment companies and real estate investment trusts.....	199,804,800	184,261,445	-7.8
<b>Income subject to tax</b> <sup>1</sup> .....	<b>683,792,847</b>	<b>663,385,528</b>	<b>-3.0</b>
<b>Total income tax before credits</b> <sup>2,3</sup> .....	<b>239,394,206</b>	<b>231,399,671</b>	<b>-3.3</b>
Income tax.....	235,325,362	228,021,519	-3.1
Personal Holding Company tax.....	13,641	12,937	-5.2
Recapture taxes <sup>4</sup> .....	5,313	3,938	-25.9
Alternative minimum tax.....	3,917,084	3,324,799	-15.1
<b>Tax credits, total</b> <sup>5</sup> .....	<b>55,218,213</b>	<b>49,854,525</b>	<b>-9.7</b>
Foreign tax credit.....	42,199,558	37,396,469	-11.4
U.S. possessions tax credit.....	2,722,179	2,393,331	-12.1
Nonconventional source fuel credit.....	1,083,331	1,029,728	-4.9
General business credit.....	5,086,368	5,601,399	10.1
Prior-year minimum tax credit.....	4,125,990	3,432,896	-16.8
<b>Total income tax after credits</b> .....	<b>184,175,992</b>	<b>181,545,146</b>	<b>-1.4</b>

<sup>1</sup> Net income of S corporations is distributed (with few exceptions) through their shareholders and is taxed as the shareholders' income. This income is not a part of the corporation's income subject to tax. Also excludes net long-term capital gain reduced by net short-term capital loss of regulated investment companies.

<sup>2</sup> Includes certain other taxes, not shown separately.

<sup>3</sup> For purposes of the statistics, all of the taxes shown below (except the income tax), plus certain others not shown, are included in total income tax before and after credits.

By law, tax credits could offset only income tax.

<sup>4</sup> The amount shown for "recapture taxes" includes recapture taxes of investment, low income housing, qualified electric vehicle, and Indian employment credits.

<sup>5</sup> Includes certain other credits, not shown separately.

NOTE: Detail may not add to totals because of rounding.

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turing, electrical and electronic equipment manufacturers claimed less than half the deduction they had claimed for 1997, down \$2.0 billion. Insurance companies and transportation companies were largely responsible for the rest of the decrease, declining \$2.4 billion, or 56.2 percent (to \$1.9 billion), and \$1.9 billion, or 40.4 percent (to \$2.8 billion), respectively.

For 1998, income tax before credits decreased by 3.3 percent to \$231.4 billion. The decrease was concentrated primarily in the manufacturing division, where income tax before credits dropped by \$13.1 billion to \$88.7 billion. Nearly half of the decline, \$6.5 billion, for the manufacturing division was accounted for by electrical and electronic equipment manufacturers, which had also been responsible for the largest increase for 1997. Income tax after credits, the amount payable to the U.S. Government, also declined, dropping 1.4 percent to \$181.5 billion.

Income tax liability was reduced by tax credits, with the principal credits being the foreign tax, U.S. possessions tax, nonconventional source fuel, general business, and prior-year minimum tax credits. By far, the largest tax credit for 1998 was still the foreign tax credit, which declined by 11.4 percent, from \$42.2 billion to \$37.4 billion. In the manufacturing division, the credit shrank by \$3.4 billion to \$26.9 billion, with petroleum refiners showing the largest decline, decreasing by 36.7 percent, or \$2.5 billion, to \$4.3 billion. Overall, manufacturers accounted for 72.1 percent of the foreign tax credit claimed.

The U.S. possessions tax credit decreased 12.1 percent, from \$2.7 billion to \$2.4 billion for 1998. No new companies were allowed to claim this credit for tax years beginning after December 1995, and special phaseout rules gradually reduced the amount that existing credit users could claim each year thereafter; the credit is to be completely eliminated after 2005. The possessions credit had dropped every year since 1993, with the exception of a slight increase for 1996 [13]. Historically, manufacturers have claimed the majority of this credit, principally pharmaceutical companies operating in Puerto Rico.

The general business credit was the only credit in Figure E to increase for 1998. It increased by \$0.5 billion to \$5.6 billion. Manufacturers claimed \$2.7 billion, about half of the total general business credit. Finance, insurance, and real estate corporations, however, accounted for most of the credit's growth, with a \$0.3-billion increase over 1997 to \$1.2 billion

for 1998. The general business credit included: the investment credit (i.e. the sum of the rehabilitation credit, the energy credit, and the reforestation credit); the work opportunity credit; the credit for alcohol used as a fuel; the credit for increasing research activities; the low-income housing credit; the enhanced oil recovery credit; the disabled access credit; the renewable electricity production credit; the Indian employment credit; the credit for Social Security and Medicare taxes paid on certain employee tips; the "orphan drug credit"; the credit for contributions to selected community development corporations; the welfare to work credit; and the Trans-Alaskan pipeline credit [14].

The Alternative Minimum Tax (AMT) was instituted in its present form by the Tax Reform Act of 1986, partly to address the perceived problem of high profit corporations that paid no tax. For 1997, corporations reported \$3.9 billion of AMT. For 1998, the number of corporations reporting the tax decreased 26.7 percent to 18,360 and reported \$3.3 billion of AMT, a decline of 15.1 percent. Part of the decline may be due to the repeal of the AMT for new corporations and small firms with gross receipts under a certain threshold, established by the Taxpayer Relief Act of 1997 for taxable years beginning after December 31, 1997 [15]. As with previous years, corporations without a current-year "alternative minimum tax" liability that reported AMT in prior years could generally elect to take a credit for the previously paid AMT against a portion of regular income tax liability. A corporation's potential credit was limited to the excess of its current-year regular income tax over its current-year "tentative" AMT. The number of corporations claiming the credit for prior-year AMT increased 5.1 percent to 17,019. Despite this increase in the number of companies claiming the credit, the amount claimed declined by \$0.7 billion to \$3.4 billion. Most of the decline took place in the manufacturing division, where a \$0.4-billion decrease occurred.

### *Assets*

Tax Year 1998 saw a continuation of several major trends with respect to the composition of the assets of U.S. corporations. The total book value of assets reported on corporate tax returns increased from \$33.0 trillion for 1997 to \$37.3 trillion for 1998. This 13.1-percent increase (\$4.3 trillion) was the second



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largest percentage increase in recent years. All asset items grew for 1998, though to varying degrees (the largest percentage increase was for intangible assets, and the smallest percentage increase was for investments in U.S. Government obligations). The finance, insurance, and real estate division continued to dominate total corporate assets, accounting for 63.6 percent of the total and was primarily responsible for the large increases in "other investments" for 1998 and for all recent years [16].

For 1998, no industrial division showed a decrease in total assets, while some reported dramatic increases. By industrial division, the largest percentage increase in total assets was 19.3 percent for transportation and public utilities, an increase of \$428.2 billion to \$2.6 trillion, while the smallest percentage increase was 2.4 percent for wholesale trade, an increase of only \$22.2 billion to \$950.6 billion. The large increase in total assets for transportation and public utilities was primarily due to communications companies and, to a lesser extent, electric, gas, and sanitary service corporations. Finance, insurance, and real estate corporations accounted for \$23.8 trillion (63.6 percent) of total assets in 1998, continuing the trend of an increasing concentration of total corporate assets held by those companies. Not surprisingly, the largest dollar increase in assets for any division was the \$2.8-trillion increase, or 13.6 percent, for corporations classified in finance, insurance, and real estate.

The majority of the increase in total corporate assets came from a \$2.4-trillion increase in "other investments," which accounted for \$13.2 trillion of total corporate assets. "Other investments" generally include long-term, non-government securities, or securities that could not be categorized as short- or long-term. Some examples of "other investments" include stocks, bonds, and treasury stock reported as assets. The large increase in other investments was driven by a \$1.8-trillion increase for finance, insurance, and real estate corporations. Within the finance, insurance, and real estate division, three major groups showed particularly notable increases: holding and other investment companies (increasing by \$913.9 billion to \$5,041.4 billion); insurance (increasing by \$370.4 billion to \$2,691.0 billion); and security and commodity brokerages that virtually doubled their holdings of other investments (increasing by \$365.8 billion to \$800.4 billion). The strong increase in other

investments could presumably be attributable to rising stock prices during the year; the Dow Jones Industrial Average and the NASDAQ composite index both recovered from the effects of the Asian financial crisis to post gains of 16.1 and 39.6 percent for the year, respectively [17].

Manufacturers reported total assets of almost \$6.7 trillion, increasing 11.7 percent from 1997. The largest percentage increases in total assets among manufacturers were for machinery, except electrical (increasing 40.0 percent to \$530.0 billion), and motor vehicles and equipment (increasing 22.6 percent to \$937.2 billion). As with finance, insurance, and real estate corporations, manufacturers reported their largest increases among all types of assets in "other investments," reporting an increase of \$348.0 billion. Other investments for manufacturers increased 24.3 percent from \$1.4 trillion for 1997 to \$1.8 trillion for 1998.

The 23.2-percent, \$259.3-billion growth in intangible assets for 1998 continued a growth trend that started with 1992. For 1998, corporations reported intangible assets of \$1.4 trillion. The division with the largest dollar increase in intangible assets was transportation and public utilities (increasing \$93.5 billion to \$294.6 billion). The construction and manufacturing divisions also showed strong increases. Intangible assets for the construction division grew to \$6.9 billion, a \$3.0-billion increase, while the manufacturing division (which was responsible for more than 40 percent of all intangible assets for 1998), grew to \$591.2 billion, a \$85.8-billion increase.

For 1998, no asset account posted an overall decrease, while the smallest percentage increase was realized in U.S. Government obligations, where the total of \$1.4 trillion represented a \$22.2-billion, or 1.6-percent increase from 1997. Increased holdings of U.S. Government obligations for finance, insurance, and real estate corporations and transportation and public utilities were largely offset by the decreases for every other division. Holdings of U.S. Government obligations in the finance, insurance, and real

**The majority of the increase in total corporate assets came from a \$2.4-trillion increase in "other investments."**

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estate division increased 2.0 percent, which translated into a \$26.3-billion rise to \$1.3 trillion. Within this division, holdings of U.S. Government obligations increased most notably for other holding and investment companies (increasing 33.1 percent to \$427.9 billion), but dropped significantly for credit agencies other than banks (declining 43.0 percent to \$53.0 billion).

### Liabilities and Shareholders' Equity

Liabilities plus shareholders' equity increased \$4.3 trillion (13.1 percent) to \$37.3 trillion for 1998. While no item among the liabilities or shareholders' equity decreased, the increase in liabilities and shareholders' equity was led by the large growth in additional paid-in-capital, which increased from \$7.3 trillion to \$8.6 trillion for 1998, an increase of 18.7 percent. Short-term and long-term mortgages, or liabilities requiring collateral, accounted for the largest dollar and percentage increases among short-term and long-term liability accounts, respectively. For 1998, net worth (shareholders' equity) continued to grow at a rate that exceeded the growth rate for liabilities.

The \$14.5-trillion total for corporate short-term debt (the sum of accounts payable, mortgages, notes, and bonds payable in less than 1 year, and "other current liabilities") represented an increase of 10.5 percent over 1997. Of the three components of short-term debt, the largest increase was for mortgages and notes payable in less than 1 year, which grew \$633.4 billion, or 24.5 percent, to \$3.2 trillion. Half of the increase, \$318.2 billion, was accounted for by credit agencies other than banks, which include savings and loan associations and credit unions; mortgages payable in less than 1 year increased by 49.3 percent to \$964.1 billion for these corporations.

The \$9.7 trillion total for corporate long-term debt (the sum of long-term mortgages, notes, and bonds payable in 1 year or more; loans from stockholders; and "other liabilities") represented an increase of 13.8 percent over 1997. For the first time in the most recent 5-year period, long-term mortgages made up a greater percentage of long-term debt than did "other liabilities." This change in the composition of long-term debt was due to the \$741.2-billion (18.2 percent) increase in long-term mortgages, which was a broad-based increase across divisions, but was led by finance, insurance, and real estate corporations. Long-term mortgages increased by 25.3 percent to \$1.8 trillion for finance, insurance, and real estate; 15.6 percent

to \$1.3 trillion for manufacturing; and 16.1 percent to \$0.8 trillion for transportation and public utilities.

The \$13.1-trillion total for shareholders' equity (the sum of capital stock, additional paid-in capital, retained earnings appropriated, retained earnings unappropriated, and adjustments to shareholders' equity, less the cost of treasury stock) represented an increase of 15.5 percent over 1997. Net worth (shareholders' equity) continued to increase over the most recent 5 years at a rate greater than that of either short-term or long-term debt; shareholders' equity comprised a larger percentage of the total for liabilities and shareholders' equity for 1998 (35.1 percent) than for 1997 (34.4 percent) or 1994 (30.0 percent). Additional paid-in-capital increased by \$1.4 trillion, from \$7.3 trillion to \$8.6 trillion. Of the increase in additional paid-in capital, \$916.0 billion were accounted for by finance, insurance, and real estate corporations (virtually mirroring the division's increase in "other investments"), of which \$800.6 billion were reported by holding and other investment companies.

### Industrial Sectors under NAICS

The United States, Mexico, and Canada designed the North American Industry Classification System (NAICS) in response to the North American Free Trade Agreement (NAFTA). The signing countries developed this new classification system in order to standardize business categories and to more accurately describe the types of businesses within each economy [18]. NAICS groups together economic units that have similar production processes (a production-oriented system), while the previously used Standard Industrial Classification (SIC) grouped economic units based on end products (a product-oriented system). NAICS places greater emphasis than SIC on separately identifying service industries (shown in a dramatically increased number of industries in that area) [18]. The emphasis reflects the shift in the relative importance to the U.S. economy of services versus manufacturing, particularly technology-based services.

Tax Year 1998 was the first year for which corporations used NAICS on tax returns to classify their primary business activities, and, thus, was the first year for which Statistics of Income (SOI) compiled data according to NAICS [19]. Data based on NAICS are presented in Figure F, and Tables 2 and

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3; data based on SIC are reported in Table 1. Tabulations for all corporations can be located for the most part in Tables 2 and 3. Data at the SIC division and major group levels were based on the conversion of Tax Year 1998 data from NAICS-based industry codes to SIC-based codes, and, therefore, will not coincide with the industry totals in Table 2 and Table 3.

Within NAICS, the highest level for aggregated industry data consists of nine divisions: Raw materials and energy production; Goods production; Distribution and transportation of goods; Information; Finance, insurance, real estate, and rental and leasing; Professional and business services; Education, health, and social assistance; Leisure, accommodation,

Figure F

## Comparison of the Number of Corporation Returns and Total Assets by the Standard Industrial Classification (SIC) System and the North American Industry Classification System (NAICS) Industry Codes, by NAICS Sector, Tax Year 1998

[Money amounts are in thousands of dollars]

NAICS sector	Number of returns		Percentage difference between NAICS/SIC	Total assets		Percentage difference between NAICS/SIC
	SIC	NAICS		SIC	NAICS	
	(1)	(2)	(3)	(4)	(5)	(6)
<b>All industries.....</b>	<b>4,848,888</b>	<b>4,848,888</b>	<b>--</b>	<b>37,347,352,986</b>	<b>37,347,352,986</b>	<b>--</b>
<b>Raw material and energy production.....</b>	<b>222,965</b>	<b>174,640</b>	<b>-21.7</b>	<b>1,554,879,127</b>	<b>1,475,286,912</b>	<b>-5.1</b>
Agriculture, forestry, fishing, and hunting.....	172,223	135,107	-21.6	97,193,855	96,299,993	-0.9
Mining.....	31,467	31,467	--	344,842,939	344,842,939	--
Utilities.....	19,275	8,067	-58.2	1,112,842,333	1,034,143,980	-7.1
<b>Goods production.....</b>	<b>845,325</b>	<b>861,846</b>	<b>2.1</b>	<b>7,014,208,961</b>	<b>6,823,558,273</b>	<b>-2.7</b>
Construction.....	503,139	551,935	9.7	351,339,286	415,679,597	18.3
Manufacturing.....	342,186	309,912	-9.4	6,662,869,675	6,407,878,676	-3.8
<b>Distribution and transportation of goods.....</b>	<b>1,348,519</b>	<b>1,116,449</b>	<b>-17.2</b>	<b>2,552,800,146</b>	<b>2,416,133,475</b>	<b>-5.4</b>
Wholesale and retail trade.....	1,167,529	956,803	-18.1	2,082,589,083	1,955,833,869	-6.1
Wholesale trade.....	338,021	338,021	--	950,645,217	950,645,217	--
Retail trade.....	826,483	615,758	-25.5	1,130,947,013	1,004,191,800	-11.2
Wholesale and retail trade, not allocable.....	3,024	3,024	--	996,853	996,853	--
Transportation and warehousing.....	180,990	159,646	-11.8	470,211,063	460,299,605	-2.1
<b>Information <sup>1</sup>.....</b>	<b>30,591</b>	<b>100,977</b>	<b>230.1</b>	<b>1,064,192,922</b>	<b>1,657,751,562</b>	<b>55.8</b>
<b>Finance, insurance, real estate, and rental and leasing.....</b>	<b>771,862</b>	<b>740,110</b>	<b>-4.1</b>	<b>23,754,253,253</b>	<b>17,801,260,840</b>	<b>-25.1</b>
Finance and insurance.....	250,550	218,193	-12.9	23,343,567,161	17,305,086,833	-25.9
Real estate and rental and leasing.....	521,312	521,917	0.1	410,686,092	496,174,007	20.8
<b>Services.....</b>	<b>1,612,756</b>	<b>1,837,994</b>	<b>14.0</b>	<b>1,405,960,647</b>	<b>7,172,303,995</b>	<b>410.1</b>
Professional and business services.....	781,494	855,164	9.4	663,985,515	6,524,034,684	882.6
Professional, scientific, and technical services.....	663,515	623,784	-6.0	571,411,986	299,636,432	-47.6
Management of companies (holding companies) <sup>2</sup> .....	--	30,931	100.0	--	6,036,081,553	100.0
Administrative and support and waste management and remediation services.....	117,979	200,449	69.9	92,573,529	188,316,699	103.4
Education, health, and social assistance.....	322,753	344,217	6.7	225,905,962	229,721,781	1.7
Educational services.....	36,959	36,959	--	12,015,998	12,015,998	--
Health care and social assistance.....	285,794	307,258	7.5	213,889,964	217,705,783	1.8
Leisure, accommodation, and food services.....	133,530	338,301	153.4	369,767,590	331,130,569	-10.4
Arts, entertainment, and recreation.....	98,922	92,966	-6.0	238,726,891	73,334,657	-69.3
Accommodation and food services.....	34,608	245,334	608.9	131,040,699	257,795,912	96.7
Other services.....	374,979	300,313	-19.9	146,301,580	87,416,961	-40.2
<b>Not allocable.....</b>	<b>16,870</b>	<b>16,870</b>	<b>--</b>	<b>1,057,930</b>	<b>1,057,930</b>	<b>--</b>

<sup>1</sup> The Communications group under SIC is classified in the Information Sector under NAICS.

<sup>2</sup> Management of companies is included in the finance and insurance sector under SIC.

NOTE: Detail may not add to totals due to rounding.

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and food services; and Other services. These groupings, added to the NAICS structure, were devised as an aggregated structure for discretionary use by statistical agencies in the U.S. in order to allow comparability of statistics across agencies and programs and is employed for the purposes of this article. The aggregation of NAICS sectors into divisions is apparent in Figure F, Figure G, and Table 2.

Figure F reports the number of corporation income tax returns and total assets for both the SIC-based industry groupings and the NAICS-based industry groupings, according to the NAICS-based equivalents. In four NAICS sectors (*Mining, Wholesale Trade, Wholesale and Retail trade not allocable, and Educational Services*), there were no differences in the number of returns from their SIC equivalents because the two systems coincide.

The following six NAICS sectors show percentage differences less than 15 percent between NAICS and SIC for the number of returns:

- ❑ **Construction:** The increases of 9.7 percent in the number of returns and 18.4 percent in total assets under NAICS are a result of 'Subdividers and developers' (renamed under NAICS as 'Land subdivision and land development') moving from Real Estate, under the SIC *Finance, insurance, and real estate* division, to the NAICS *Construction* sector.
- ❑ **Manufacturing:** The decrease of 9.4 percent in the number of returns, under NAICS, is due to the move of 'Publishing' to the new NAICS *Information* sector.
- ❑ **Transportation and Warehousing:** Under NAICS, the number of returns decreased 11.8 percent due to the move of 'Travel arrangements and reservations' to *Administrative, support, waste management, and remediation services* within Services. Under SIC, transportation is combined with public utilities, and, in NAICS, it is reported as a separate sector, **Transportation and Warehousing**.
- ❑ The *Services* division has been converted into eight major subsectors for NAICS,

increasing the total number of returns by 14 percent, due mainly to the addition of the sector *Management of Companies (Holding Companies)*.

- ❑ The *Finance, Insurance, and Real Estate* SIC division splits into two NAICS sectors: the **Finance and Insurance** sector and the **Real Estate, Rental, and Leasing** sector.
- ❑ **Finance and Insurance:** The decrease of 12.9 percent in the number of returns is the result of the move of 'Offices of other holding companies,' and the decrease of 25.9 percent in total assets is the result of the move of 'Bank holding companies' to the new NAICS Services sector, *Management of Companies (holding companies)*.
- ❑ **Real Estate, Rental, and Leasing:** The slight increase in number of returns, but large increase of 20.8 percent in total assets are due to the movements of 'Land subdivision and land development' from *Real Estate* to *Construction*, and of 'Rental and leasing' from *Services* to *Real Estate*.

The following sectors show differences greater than 20 percent for the number of returns:

- ❑ **Agriculture:** The 21.6-percent decrease in the number of returns is the result of the move to *Services* for 'Landscaping services' and 'Landscaping architecture services' within the *Professional and Business Services* and 'Pet care services' within *Other Services*. The slight 5.1-percent decrease in total assets is the result of the additional movement of 'Logging' to *Agriculture* from *Manufacturing*.
- ❑ **Utilities:** The 58.2-percent decrease in the number of returns and 7.1-percent decrease in total assets are due to the transfer of 'Other sanitary services' to *Administrative, Support, Waste Management, and Remediation Services*. Under SIC, the *Utilities* division was reported with *Transportation and Public Utilities*, while, under NAICS, it is reported separately.

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- ❑ **Retail Trade:** The 25.5-percent decrease in the number of returns and 11.2-percent decrease in total assets are primarily due to reclassifying 'Restaurants' in the new *Accommodation and Food Services* sector.
- ❑ **Information:** The increases of over 230 percent in the number of returns and 55.8 percent in total assets under NAICS were caused by the addition of 'Publishing' (in manufacturing under SIC), 'Motion picture and sound recording' (part of the Services division under SIC), and 'Information services and data processing' (part of the Services division under SIC). Under SIC, 'Communications' was part of the *Transportation and Public Utilities* division, but, under NAICS, 'Communications' is reported as 'Broadcasting and Telecommunications' under the new **Information** sector. For statistical purposes, the 'Communications' group is classified under the Information sector since the industries are comparable.

The directions of the changes in total assets for all sectors reflected changes in the direction of the number of returns. The most significant change in total assets occurred in the following sectors:

- ❑ **Services:** The 410.1-percent increase in total assets is due to the movement of 'Management of companies (holding companies),' from *Finance and Insurance* (25.9-percent decrease), to its own sector within **Professional and Business Services**, causing an 882.6-percent increase. 'Bank holding companies' are responsible for the substantial increase in total assets, while increasing the number of returns in *Professional and Business Services* by only 9.4 percent.
- ❑ **Arts, entertainment, and recreation:** The 69.3-percent decrease in total assets is caused by the move of 'Motion picture and video industries' from the *Services* division to 'Publishing Industries' within the new **Information** sector.

- ❑ **Accommodation and food services:** The 96.7-percent increase in total assets and substantial 608.9-percent increase in number of returns are the result of the movement of *Food Services* to the *Services* division from *Retail Trade*. Accommodation and food services under the SIC included only 'Hotels and other lodging places.'

### Summary

Despite a growing economy, corporate pre-tax profits, as reported on income tax returns for 1998, were down for the first time in 6 years, decreasing 8.4 percent to \$838.2 billion. Both profit-reporting and loss-reporting corporations were affected. Positive net income fell only slightly to \$1.09 trillion, while net losses increased from \$202.4 billion to \$252.9 billion.

Income subject to tax, the tax base, decreased along with "positive" net income, from \$683.8 billion to \$663.4 billion. Therefore, income tax before credits declined 3.3 percent to \$231.4 billion, and income tax after credits, the amount payable to the U.S. Government, dropped 1.4 percent to \$181.5 billion, with the majority of the decline in income tax after credits due to a drop in the foreign tax credit.

The introduction of North American Industrialized Classification System (NAICS), beginning with Tax Year 1998, ushers in an opportunity to analyze the service and technical support industries more thoroughly in the future. In the meantime, comparison of 1998 to 1997 based on the former Standard Industrial Classification (SIC) system allows for analysis of industry-level changes between the 2 years.

### Data Sources and Limitations, Form 1120, Tax Year 1998

Estimates for Tax Year 1998 are based on a sample of corporation income tax returns with accounting periods ending July 1998 through June 1999 that posted to the Internal Revenue Service Business Master File from the beginning of July 1998 through the end of June 2000. These returns represent domestic corporations filing Form 1120 or 1120-A (short form); foreign corporations with income "effectively connected" with a U.S. business filing Form 1120-F; life insurance companies filing Form 1120-L; property and casualty insurance companies

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filing Form 1120-PC; S corporations filing Form 1120S; regulated investment companies filing Form 1120-RIC; and real estate investment trusts filing Form 1120-REIT.

A stratified probability sample was used to produce the statistics. A sample of 137,600 corporation income tax returns was drawn from a total population of 5,204,706. Based on the 131,566 returns of active corporations in the sample, the population estimate of corporation returns was 4,848,888. The sample was selected after administrative processing was complete, but before any amendments or audit examinations, and was stratified based on combinations of total assets and a measure of income at rates ranging

from 0.25 percent to 100 percent.

Because the estimates are based on a sample, they are subject to sampling error. Coefficients of variation (CV's) are used to measure the magnitude of this sampling error. The smaller the CV, the more reliable the estimate is judged to be. The CV is defined in the section on sampling variability in the "SOI Sampling Methodology and Data Limitations" appendix of this publication. Figure G presents the CV's for total assets, business receipts, total income tax before credits, and total income tax after credits by industrial division and sector. The estimates corresponding to the CV's in Figure G can be found in Table 2.

**Figure G**

**Coefficients of Variation for Total Assets, Business Receipts, Total Income Tax Before Credits, and Total Income Tax After Credits, by Industrial Division and North American Industry Classification System (NAICS) Sector, Tax Year 1998**

Industrial division and sector	Total assets	Business receipts	Total income tax before credits	Total income tax after credits
	(1)	(2)	(3)	(4)
All Industries <sup>1</sup> .....	0.01	0.15	0.07	0.09
Raw materials and energy production.....	0.09	0.50	0.19	0.23
Agriculture, forestry, fishing, and hunting.....	1.02	2.85	3.40	3.84
Mining.....	0.23	1.08	0.71	1.08
Utilities.....	0.04	0.22	0.12	0.13
Goods production.....	0.05	0.19	0.11	0.17
Construction.....	0.51	0.94	1.51	1.56
Manufacturing.....	0.04	0.16	0.09	0.14
Distribution and transportation of goods.....	0.12	0.39	0.25	0.27
Wholesale and retail trade.....	0.15	0.41	0.28	0.30
Transportation and warehousing.....	0.23	1.18	0.53	0.61
Information.....	0.07	0.44	0.14	0.15
Finance, insurance, real estate, and rental and leasing.....	0.02	0.25	0.16	0.18
Finance and insurance.....	0.01	0.22	0.12	0.13
Real estate and rental and leasing.....	0.47	1.81	1.85	1.92
Professional and business services.....	0.03	0.81	0.24	0.28
Professional, scientific, and technical services.....	0.57	1.60	1.07	1.20
Management of companies (holding companies).....	0.01	0.05	0.12	0.14
Administrative and support and waste management and remediation services.....	0.61	2.60	1.40	1.62
Education, health, and social assistance.....	0.55	2.40	1.45	1.48
Educational services.....	3.86	12.42	4.78	4.92
Health care and social assistance.....	0.56	2.44	1.53	1.56
Leisure, accommodation, and food services.....	0.45	1.06	0.88	1.09
Arts, entertainment, and recreation.....	1.20	2.89	2.57	2.92
Accommodation and food services.....	0.48	1.14	0.91	1.14
Other services.....	1.38	2.40	2.90	3.01

<sup>1</sup> Includes returns not allocable by industrial division, which are not shown separately.

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### Footnotes

- [1] Numbers used in this article were extracted from the *Source Books of Statistics of Income—Corporation Income Tax returns* for 1997 and 1998, as well as from special tabulations from Statistics of Income data files for Tax Year 1998.
- [2] For more information on Form 1120-S returns, see Wittman, Susan M., “S Corporation Returns, 1998,” *Statistics of Income Bulletin*, Spring 2001, Volume 21, Number 4.
- [3] Starting with Tax Year 1987, SOI corporate statistics for “net income (less deficit)” (pre-tax profits) and for receipts and deductions of S corporations are limited to those derived “from a trade or business.” Investment or portfolio income (or loss), such as from interest, dividends, rents, royalties, and gain (loss) from sales of investment property, and the deductions related to this income are not included in the SOI corporate statistics. Therefore, the overall statistics for receipts, deductions, and net income or deficit are slightly understated; it is estimated that, for 1998, total net income (less deficit) alone is understated by \$56.9 billion as a result (see Wittman, Susan M., “S Corporation Returns, 1998,” *Statistics of Income Bulletin*, Spring 2001, Volume 21, Number 4).
- Net income (or deficit) and receipts also excluded regulated investment company (RIC) net long-term capital gain (reduced by net short-term capital losses), which were not tabulated. If tabulated, these gains would have totaled \$164.1 billion for 1997 and \$192.6 billion for 1998. Including RIC gain and S investment income less deductions in the computation of overall pre-tax profits would have reduced corporate pre-tax profits by 2.2 percent from \$1,111.6 billion to \$1,087.8 billion.
- [4] *Economic Report of the President*, 1999, p. 73. See online at <http://www.gpo.upcop.edu/catalog/erp99.html>.
- [5] *ibid.*, p. 54.
- [6] *ibid.*, pp. 51-54.
- [7] Salaries and wages as reported for Statistics of Income do not include all types of compensation for employees. For a full definition of salaries and wages, see “Explanation of Terms,” *Statistics of Income—1997, Corporation Income Tax Returns*.
- [8] *Economic Report of the President*, 1999, p. 48. See online at <http://www.gpo.upcop.edu/catalog/erp99.html>.
- [9] *ibid.*, p. 54.
- [10] For specifics on the Telecommunications Act of 1996, see *Commission Implements Telecom Act’s Universal Service Provisions*, May 7, 1997. See online at [http://www.fcc.gov/bureaus/common\\_carrier/news\\_releases/1997/nrcc7032.html](http://www.fcc.gov/bureaus/common_carrier/news_releases/1997/nrcc7032.html).
- [11] For 1998, statutory special deductions included the following: net operating loss deduction (NOLD); the various dividends received deductions; the deductions for dividends paid on certain preferred stock of public utilities; the deduction for dividends paid by regulated investment companies and real estate investment trusts; the special deduction for taxes paid by real estate investment trusts allowed under section 857; and the special deduction allowed for small life insurance companies.
- [12] The statistics for statutory special deductions include the unused portions of deductions reported by corporations that had no positive income subject to tax, either because they had no positive net income or because their deductions were sufficient to completely offset their net income. In addition, the relationship between net income and income subject to tax was defined differently for life insurance businesses and real estate investment trusts. Therefore, the net income shown in the statistics (which also includes the net income of S corporations, which do not bear entity level income taxes), minus statutory special deductions will not yield the statistics shown for income subject to tax.
- [13] *Source Books of Statistics of Income—Corporation Income Tax Returns* for 1993-1998.

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[14] The purpose of combining these credits into the general business credit was to provide a single combined limitation on these component credits and to establish uniform rules for the unused amounts in excess of this limitation for the carryback and carryforward to other years. However, each of the current year's components of the general business credit was computed separately. (Since the limitation applies to the total, the sum of the current year's components is generally larger than the actual credit claimed.) Because the empowerment zone employment (EZE) credit can offset 25 percent of the alternative minimum tax liability, the limitation varies from the other general business credits. The empowerment zone employment credit was computed separately after the general business credit was calculated. The amount of the EZE credit was then added to the general business credit, and the combined amount was taken against the income tax. It is this combined amount that is reported as the general business credit in Figure E.

[15] For a detailed explanation of IR Code Section 55(e), "Exemption for small corporations," see 1999 *U.S. Master Tax Guide*, ¶1401, November 1998.

[16] For a discussion of the increase in "other investments" as it relates to the finance division in previous years, see Contos, George and Legel, Ellen, "Corporation Income Tax Returns, 1997," *Statistics of Income Bulletin*, Summer 2000, Volume 20, Number 1. Scoffic, Matthew and Treubert, Patrice, "Corporation Income Tax Returns, 1996," *Statistics of Income Bulletin*, Summer 1999, Volume 19, Number 1.

[17] The NASDAQ return for 1998 was taken from *1999 NASDAQ-AMEX Fact Book & Company Directory*. See online at <http://www.nasdaqnews.com/about/99factbook.pdf>. The return for the Dow Jones Industrial Average (DJIA) was taken from company's website. See online at <http://www.djindexes.com/jsp/uiCumumReturnRep.jsp>.

[18] *North American Industry Classification System United States, 1997*, Executive Office of the President, Office of Management and Budget, 1998.

[19] The primary business activity of returns within the corporation study is based on the business activity that produces the largest total receipts.

SOURCE: IRS, *Statistics of Income Bulletin*, Summer 2001, Publication 1136 (Rev. 08-2001).



# Corporation Income Tax Returns, 1998

**Table 1.--Selected Balance Sheet, Income Statement, and Tax Items, by Industrial Division and Selected Major Industrial Group under the Standard Industrial Classification (SIC) System**

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial division and selected major industrial group	Number of returns	Total assets	Total receipts <sup>1</sup>	Total deductions	Net income (less deficit) <sup>1</sup>	Income subject to tax <sup>1</sup>	Total income tax after credits
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All Industries.....</b>	<b>4,848,888</b>	<b>37,347,352,986</b>	<b>17,323,955,004</b>	<b>16,489,425,015</b>	<b>838,223,591</b>	<b>663,385,528</b>	<b>181,545,146</b>
<b>Agriculture, forestry, and fishing.....</b>	<b>172,223</b>	<b>97,193,855</b>	<b>120,572,395</b>	<b>119,105,554</b>	<b>1,532,363</b>	<b>2,253,964</b>	<b>581,102</b>
<b>Mining.....</b>	<b>31,467</b>	<b>344,842,939</b>	<b>131,071,579</b>	<b>130,388,596</b>	<b>1,091,102</b>	<b>5,741,036</b>	<b>1,382,782</b>
Metal mining.....	1,528	60,756,421	16,370,784	16,436,334	-14,466	765,669	158,755
Coal mining.....	620	34,004,395	20,375,494	20,470,889	-97,810	319,419	133,317
Oil and gas extraction.....	17,075	156,878,232	40,852,597	43,076,917	-2,184,584	1,348,125	246,128
Nonmetallic minerals, except fuels.....	12,244	93,203,891	53,472,705	50,404,455	3,387,962	3,307,824	844,581
<b>Construction.....</b>	<b>503,139</b>	<b>351,339,286</b>	<b>841,204,095</b>	<b>814,323,893</b>	<b>26,764,834</b>	<b>11,402,740</b>	<b>3,395,377</b>
<b>Manufacturing.....</b>	<b>342,186</b>	<b>6,662,869,675</b>	<b>5,118,555,806</b>	<b>4,898,613,684</b>	<b>256,485,950</b>	<b>251,971,931</b>	<b>55,203,251</b>
Food and kindred products.....	19,136	625,009,912	490,810,254	470,859,454	22,295,083	20,556,347	4,963,682
Tobacco manufactures.....	45	165,715,251	75,703,629	68,646,043	9,254,074	8,992,055	1,861,256
Textile mill products.....	7,868	62,682,642	82,393,505	80,344,243	2,076,564	1,891,428	617,181
Apparel and other textile products.....	16,893	42,096,300	71,465,030	69,569,672	2,121,666	2,490,533	618,342
Lumber and wood products.....	23,040	71,601,183	92,789,902	90,079,405	2,709,116	2,097,772	708,551
Furniture and fixtures.....	12,564	33,241,583	60,394,583	57,267,979	3,230,122	2,675,844	853,182
Paper and allied products.....	3,182	240,535,748	189,284,175	185,387,588	4,566,622	5,771,640	1,343,142
Printing and publishing.....	56,200	313,658,770	238,883,957	224,359,997	14,708,551	13,149,438	4,357,682
Chemical and allied products.....	12,227	930,534,117	604,590,588	561,939,431	51,769,184	50,844,770	9,909,279
Petroleum and coal products.....	1,564	756,572,604	433,784,429	417,277,063	20,512,797	21,128,605	2,586,979
Rubber and miscellaneous plastics products.....	13,168	97,753,017	126,230,399	120,611,143	5,989,998	4,261,631	1,012,310
Leather and leather products.....	1,997	9,064,871	14,205,648	13,815,744	397,320	451,970	121,913
Stone, clay, and glass products.....	10,194	112,275,290	99,902,585	94,364,598	5,924,658	4,837,201	1,516,713
Primary metal industries.....	5,806	171,583,372	164,907,887	159,838,207	5,614,225	4,786,747	1,271,250
Fabricated metal products.....	53,853	233,426,276	268,299,682	253,369,265	15,508,204	10,751,171	3,036,854
Machinery, except electrical.....	33,211	529,998,282	577,376,210	544,830,627	39,569,870	40,547,305	7,602,465
Electrical and electronic equipment.....	20,588	882,843,343	505,762,353	495,075,062	13,563,475	20,662,314	4,406,667
Motor vehicles and equipment.....	6,265	937,151,683	586,202,343	571,366,910	19,456,983	18,959,554	3,655,536
Transportation equipment, except motor vehicles.....	4,678	192,643,048	197,718,967	191,048,293	7,085,081	5,981,353	1,683,487
Instruments and related products.....	12,212	179,484,609	138,137,503	132,621,546	6,088,523	7,700,979	2,089,876
Miscellaneous manufacturing and manufacturing not allocable.....	27,497	74,997,778	99,712,177	95,941,416	4,043,832	3,433,275	986,902
<b>Transportation and public utilities.....</b>	<b>230,856</b>	<b>2,647,246,318</b>	<b>1,481,748,255</b>	<b>1,414,093,171</b>	<b>70,354,109</b>	<b>90,228,973</b>	<b>28,570,078</b>
Transportation.....	180,990	470,211,063	525,648,414	509,755,417	16,243,288	14,991,273	4,598,117
Communication.....	30,591	1,064,192,922	440,272,820	420,276,483	21,163,065	37,268,108	12,346,383
Electric, gas, and sanitary services.....	19,275	1,112,842,333	515,827,020	484,061,271	32,947,755	37,969,592	11,625,578
<b>Wholesale and retail trade.....</b>	<b>1,167,529</b>	<b>2,082,589,083</b>	<b>4,848,220,633</b>	<b>4,756,414,703</b>	<b>93,335,920</b>	<b>79,862,244</b>	<b>24,747,579</b>
<b>Wholesale trade.....</b>	<b>338,021</b>	<b>950,645,217</b>	<b>2,141,292,714</b>	<b>2,104,642,776</b>	<b>37,655,492</b>	<b>29,607,381</b>	<b>9,110,245</b>
<b>Retail trade.....</b>	<b>826,483</b>	<b>1,130,947,013</b>	<b>2,703,381,744</b>	<b>2,648,203,308</b>	<b>55,702,874</b>	<b>50,228,226</b>	<b>15,629,216</b>
Building materials, garden supplies, and mobile home dealers.....	49,188	72,662,220	170,960,443	165,038,268	5,937,724	4,803,347	1,550,355
General merchandise stores.....	12,406	259,372,412	439,062,523	424,717,037	14,433,985	15,455,710	5,150,070
Food stores.....	72,573	128,181,533	383,582,848	376,762,189	6,757,038	5,912,858	1,991,973
Automotive dealers and service stations.....	126,296	203,112,225	780,071,673	772,327,419	7,727,301	3,767,571	1,165,059
Apparel and accessory stores.....	35,984	64,471,985	111,239,232	106,742,280	4,800,875	5,486,527	1,633,864
Furniture and home furnishing stores.....	56,867	56,646,359	127,031,482	124,773,291	2,242,086	1,929,356	593,226
Eating and drinking places.....	210,726	126,755,213	221,263,748	215,108,123	6,384,981	5,117,159	1,196,074
Miscellaneous retail stores.....	262,444	219,745,066	470,169,794	462,734,700	7,418,885	7,755,699	2,348,596
<b>Wholesale and retail trade not allocable.....</b>	<b>3,024</b>	<b>996,853</b>	<b>3,546,175</b>	<b>3,568,620</b>	<b>-22,445</b>	<b>26,637</b>	<b>8,118</b>
<b>Finance, insurance, and real estate.....</b>	<b>771,862</b>	<b>23,754,253,253</b>	<b>3,058,050,150</b>	<b>2,668,870,397</b>	<b>351,246,698</b>	<b>177,782,709</b>	<b>54,769,970</b>
Banking.....	8,898	6,053,578,677	617,946,188	563,486,272	50,812,613	54,451,259	16,541,976
Credit agencies other than banks.....	43,351	2,852,577,911	294,213,786	271,037,753	21,862,245	23,737,854	7,796,824
Security, commodity brokers, and services.....	70,733	3,080,708,015	319,602,776	302,144,818	18,068,765	19,875,867	5,323,422
Insurance.....	5,453	4,574,778,466	1,297,700,177	1,231,655,513	57,557,890	60,164,836	19,329,131
Insurance agents, brokers, and service.....	82,026	127,832,566	89,408,097	83,959,769	5,534,545	4,565,429	1,384,916
Real estate.....	521,312	410,686,092	148,511,171	139,378,492	9,010,554	7,376,688	2,239,947
Holding and other investments companies, except bank holding companies.....	40,088	6,654,091,526	290,667,955	77,207,781	188,400,086	7,610,776	2,153,753
<b>Services.....</b>	<b>1,612,756</b>	<b>1,405,960,647</b>	<b>1,722,037,296</b>	<b>1,684,796,761</b>	<b>37,736,926</b>	<b>44,097,806</b>	<b>12,881,969</b>
Hotels and other lodging places.....	34,608	131,040,699	96,264,523	94,789,101	1,510,053	2,641,947	855,122
Personal services.....	132,823	51,677,651	65,904,171	62,289,048	3,612,391	2,683,628	855,354
Business services.....	422,119	522,763,769	591,470,139	579,288,813	12,642,835	21,056,538	5,758,657
Auto repair; miscellaneous repair services.....	148,613	77,975,150	121,609,241	119,106,991	2,498,199	1,477,077	416,714
Amusement and recreation services.....	98,922	238,726,891	124,782,380	122,242,734	2,632,289	4,234,342	1,302,986
Other services.....	775,671	383,776,487	722,006,844	707,080,074	14,841,159	12,004,274	3,693,137
<b>Nature of business not allocable.....</b>	<b>16,870</b>	<b>1,057,930</b>	<b>2,494,796</b>	<b>2,818,256</b>	<b>-324,310</b>	<b>44,125</b>	<b>13,039</b>

<sup>1</sup> Excludes net long-term capital gain reduced by net short-term capital loss of regulated investment companies and investment income, including capital gains of S corporations (qualifying corporations electing to be taxed through their shareholders).

# Corporation Income Tax Returns, 1998

**Table 2.--Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Sector and by Asset Size**

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars]

Item, industrial sector	Total	Size of total assets				
		Zero assets <sup>1</sup>	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
	(1)	(2)	(3)	(4)	(5)	(6)
<b>ALL INDUSTRIES <sup>2</sup></b>						
Number of returns.....	4,848,888	304,172	2,509,500	776,565	463,431	322,730
Total assets.....	37,347,352,986	--	75,220,851	126,417,360	163,814,039	226,872,923
Net worth.....	13,108,275,236	--	-13,935,786	26,185,609	42,463,518	66,251,285
Total receipts <sup>3</sup> .....	17,323,955,004	412,489,344	539,788,649	448,077,953	441,806,636	524,998,052
Business receipts.....	15,010,264,802	248,260,900	528,719,939	438,879,809	432,288,500	509,863,086
Interest paid.....	966,659,473	94,065,566	3,302,831	4,072,227	4,680,512	5,928,769
Net income (less deficit) <sup>3</sup> .....	838,223,591	5,906,399	17,056,225	11,997,706	10,300,564	11,198,253
Total income tax before credits..... <sup>4</sup>	231,399,671	6,187,427	604,060	689,987	905,226	1,352,264
Total Income tax after credits..... <sup>4</sup>	181,545,146	5,129,643	597,085	677,333	884,724	1,320,803
<b>RAW MATERIALS AND ENERGY PRODUCTION</b>						
Number of returns.....	174,640	7,868	66,041	31,994	25,791	21,651
Total assets.....	1,475,286,912	--	2,085,343	5,492,113	9,078,698	15,398,474
Net worth.....	552,179,866	--	-264,466	1,212,086	2,993,926	6,176,752
Total receipts <sup>3</sup> .....	717,499,601	9,111,597	7,896,081	10,626,890	10,939,942	19,453,675
Business receipts.....	668,134,625	8,028,598	7,073,119	9,541,970	9,478,817	17,652,635
Interest paid.....	39,480,822	518,639	112,963	252,791	341,764	445,616
Net income (less deficit) <sup>3</sup> .....	33,129,560	230,758	257,639	115,851	19,704	442,423
Total income tax before credits..... <sup>4</sup>	15,591,908	307,409	30,493	28,840	38,885	67,747
Total Income tax after credits..... <sup>4</sup>	13,187,852	243,692	29,960	28,835	38,459	67,137
<b>AGRICULTURE, FORESTRY, FISHING, AND HUNTING</b>						
Number of returns.....	135,107	5,895	48,080	26,578	21,991	17,591
Total assets.....	96,299,993	--	1,577,345	4,503,243	7,711,296	12,547,577
Net worth.....	36,418,247	--	-422,101	940,389	2,748,856	5,100,092
Total receipts <sup>3</sup> .....	110,588,698	724,070	6,013,434	8,862,979	9,334,958	15,857,021
Business receipts.....	100,398,430	574,724	5,540,483	7,876,528	7,953,353	14,329,649
Interest paid.....	3,117,877	23,790	89,075	217,310	291,830	380,072
Net income (less deficit) <sup>3</sup> .....	529,117	-252,565	66,251	95,447	-27,080	282,566
Total income tax before credits..... <sup>4</sup>	620,915	23,466	12,682	28,261	36,037	45,201
Total Income tax after credits..... <sup>4</sup>	547,808	23,117	12,151	28,259	35,611	44,620
<b>MINING</b>						
Number of returns.....	31,467	1,431	14,463	4,185	3,086	3,443
Total assets.....	344,842,939	--	434,860	771,293	1,131,411	2,424,011
Net worth.....	170,579,986	--	151,434	195,253	158,431	958,687
Total receipts <sup>3</sup> .....	131,071,579	5,264,916	1,510,698	1,272,790	1,331,634	3,235,345
Business receipts.....	116,905,970	4,516,593	1,230,863	1,179,915	1,257,105	3,004,920
Interest paid.....	7,911,568	316,398	19,358	34,070	42,958	52,204
Net income (less deficit) <sup>3</sup> .....	1,091,102	155,438	111,394	31,640	21,555	126,061
Total income tax before credits..... <sup>4</sup>	2,116,331	139,715	5,844	*292	*1,445	20,380
Total Income tax after credits..... <sup>4</sup>	1,382,782	78,280	*5,841	*289	*1,445	20,353
<b>UTILITIES</b>						
Number of returns.....	8,067	542	3,498	*1,231	*714	617
Total assets.....	1,034,143,980	--	73,139	*217,578	*235,991	426,885
Net worth.....	345,181,633	--	6,202	*76,444	*86,639	117,973
Total receipts <sup>3</sup> .....	475,839,324	3,122,611	371,949	*491,120	*273,351	361,308
Business receipts.....	450,830,225	2,937,282	301,773	*485,527	*268,358	318,065
Interest paid.....	28,451,377	178,451	*4,531	*1,412	*6,976	13,340
Net income (less deficit) <sup>3</sup> .....	31,509,342	327,885	79,994	*-11,236	*25,229	33,797
Total income tax before credits..... <sup>4</sup>	12,854,663	144,228	*11,968	*287	*1,404	*2,166
Total Income tax after credits..... <sup>4</sup>	11,257,262	142,295	*11,968	*287	*1,404	*2,165

Footnotes at end of table.

# Corporation Income Tax Returns, 1998

**Table 2.--Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Sector and by Asset Size--Continued**

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars]

Item, industrial sector	Total	Size of total assets				
		Zero assets <sup>1</sup>	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
	(1)	(2)	(3)	(4)	(5)	(6)
<b>GOODS PRODUCTION</b>						
Number of returns.....	861,846	40,090	387,759	127,598	96,035	76,827
Total assets.....	6,823,558,273	--	11,875,877	21,251,416	34,351,059	54,723,866
Net worth.....	2,301,080,679	--	-2,703,234	3,650,910	11,006,915	17,252,749
Total receipts <sup>3</sup> .....	5,843,120,442	60,531,926	87,534,341	82,748,667	102,022,760	142,957,483
Business receipts.....	5,450,210,584	56,929,611	86,612,494	81,687,936	101,049,588	141,288,985
Interest paid.....	181,006,660	1,711,839	628,984	718,320	987,340	1,405,844
Net income (less deficit) <sup>3</sup> .....	274,408,460	-497,108	3,016,593	2,045,297	3,107,072	3,616,293
Total income tax before credits..... <sup>4</sup>	89,009,380	552,273	75,164	125,467	221,925	420,613
Total Income tax after credits..... <sup>4</sup>	55,493,242	441,586	74,170	124,069	217,325	411,911
<b>CONSTRUCTION</b>						
Number of returns.....	551,935	26,207	276,791	85,628	59,101	43,964
Total assets.....	415,679,597	--	8,239,356	14,275,538	21,209,357	31,117,559
Net worth.....	124,212,135	--	420,663	2,579,451	7,232,445	9,699,595
Total receipts <sup>3</sup> .....	875,357,103	9,282,388	68,918,620	56,372,925	65,120,799	80,197,969
Business receipts.....	859,139,558	8,853,094	68,430,573	55,689,954	64,500,325	79,153,811
Interest paid.....	8,234,453	126,725	429,473	492,149	572,645	699,675
Net income (less deficit) <sup>3</sup> .....	28,385,998	169,404	2,737,502	1,851,763	2,363,351	2,164,453
Total income tax before credits..... <sup>4</sup>	3,848,773	49,797	54,479	93,292	132,653	217,974
Total Income tax after credits..... <sup>4</sup>	3,671,586	47,090	54,478	92,784	128,601	212,201
<b>MANUFACTURING</b>						
Number of returns.....	309,912	13,883	110,968	41,970	36,934	32,863
Total assets.....	6,407,878,676	--	3,636,521	6,975,877	13,141,702	23,606,307
Net worth.....	2,176,868,544	--	-3,123,897	1,071,459	3,774,470	7,553,155
Total receipts <sup>3</sup> .....	4,967,763,340	51,249,538	18,615,721	26,375,742	36,901,961	62,759,515
Business receipts.....	4,591,071,027	48,076,518	18,181,921	25,997,983	36,549,263	62,135,174
Interest paid.....	172,772,207	1,585,115	199,511	226,171	414,695	706,169
Net income (less deficit) <sup>3</sup> .....	246,022,462	-666,513	279,091	193,534	743,721	1,451,840
Total income tax before credits..... <sup>4</sup>	85,160,606	502,476	20,685	32,176	89,271	202,639
Total Income tax after credits..... <sup>4</sup>	51,821,656	394,496	19,692	31,285	88,724	199,710
<b>DISTRIBUTION AND TRANSPORTATION OF GOODS</b>						
Number of returns.....	1,116,449	62,088	478,917	211,747	132,594	94,744
Total assets.....	2,416,133,475	--	16,957,008	34,421,378	47,020,486	66,220,841
Net worth.....	788,035,924	--	-4,082,810	5,362,614	13,612,838	24,223,345
Total receipts <sup>3</sup> .....	5,115,031,110	83,465,779	110,192,848	153,352,619	165,258,081	218,779,582
Business receipts.....	4,986,297,520	80,053,732	108,650,974	151,435,874	163,135,968	215,854,828
Interest paid.....	69,759,453	1,035,161	680,109	1,083,720	1,285,430	1,682,465
Net income (less deficit) <sup>3</sup> .....	102,764,227	-192,018	913,167	2,295,569	2,381,455	3,825,787
Total income tax before credits..... <sup>4</sup>	30,553,314	230,190	102,103	145,350	229,530	387,202
Total Income tax after credits..... <sup>4</sup>	28,017,372	215,892	102,088	144,609	228,195	381,719
<b>WHOLESALE AND RETAIL TRADE</b>						
Number of returns.....	956,803	47,957	394,796	187,907	117,256	85,549
Total assets.....	1,955,833,869	--	14,303,376	30,599,631	41,474,786	59,846,170
Net worth.....	630,317,171	--	-4,172,937	4,946,295	12,472,247	22,378,328
Total receipts <sup>3</sup> .....	4,626,956,885	79,408,229	95,734,601	133,590,964	145,477,113	201,262,751
Business receipts.....	4,516,670,915	76,351,370	94,472,850	132,009,075	143,557,143	198,755,483
Interest paid.....	56,868,644	940,872	544,385	909,349	1,049,541	1,437,164
Net income (less deficit) <sup>3</sup> .....	86,950,940	-211,601	540,118	1,834,831	2,045,279	3,338,863
Total income tax before credits..... <sup>4</sup>	25,333,188	205,642	89,805	115,572	200,901	345,453
Total Income tax after credits..... <sup>4</sup>	23,551,505	191,365	89,794	114,840	199,839	341,077

Footnotes at end of table.

# Corporation Income Tax Returns, 1998

**Table 2.--Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Sector and by Asset Size--Continued**

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars]

Item, industrial sector	Total	Size of total assets				
		Zero assets <sup>1</sup>	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
	(1)	(2)	(3)	(4)	(5)	(6)
<b>TRANSPORTATION AND WAREHOUSING</b>						
Number of returns.....	159,646	14,131	84,121	23,839	15,338	9,195
Total assets.....	460,299,605	--	2,653,632	3,821,747	5,545,700	6,374,671
Net worth.....	157,718,753	--	90,126	416,318	1,140,591	1,845,017
Total receipts <sup>3</sup> .....	488,074,225	4,057,550	14,458,248	19,761,655	19,780,968	17,516,831
Business receipts.....	469,626,605	3,702,362	14,178,124	19,426,799	19,578,825	17,099,345
Interest paid.....	12,890,808	94,289	135,724	174,371	235,889	245,301
Net income (less deficit) <sup>3</sup> .....	15,813,288	19,583	373,049	460,738	336,176	486,924
Total income tax before credits <sup>4</sup> .....	5,220,126	24,548	12,297	29,778	28,629	41,749
Total Income tax after credits <sup>4</sup> .....	4,465,867	24,526	12,294	29,769	28,356	40,642
<b>INFORMATION</b>						
Number of returns.....	100,977	8,927	57,403	11,494	6,160	6,459
Total assets.....	1,657,751,562	--	1,475,838	1,829,418	2,227,341	4,472,465
Net worth.....	630,069,085	--	-739,020	-1,063,489	-1,573,547	128,068
Total receipts <sup>3</sup> .....	759,064,134	22,076,552	8,891,886	6,297,901	6,219,052	8,042,017
Business receipts.....	667,610,273	18,710,164	8,660,938	6,147,605	5,870,436	7,508,185
Interest paid.....	52,171,340	1,077,227	55,288	69,831	81,654	135,735
Net income (less deficit) <sup>3</sup> .....	32,662,060	-501,142	103,561	-95,380	-121,888	-269,003
Total income tax before credits <sup>4</sup> .....	20,501,328	495,504	7,277	10,277	16,994	33,487
Total Income tax after credits <sup>4</sup> .....	18,440,210	484,730	7,277	10,277	16,982	32,093
<b>FINANCE, INSURANCE, REAL ESTATE, AND RENTAL AND LEASING</b>						
Number of returns.....	740,110	54,969	320,946	121,689	86,281	61,913
Total assets.....	17,801,260,840	--	9,542,422	19,754,846	30,578,864	43,882,945
Net worth.....	7,656,579,780	--	-2,158,393	5,329,856	6,223,671	6,555,321
Total receipts <sup>3</sup> .....	2,563,457,220	122,258,755	34,607,450	29,768,491	24,790,879	23,023,881
Business receipts.....	1,460,718,807	41,727,865	33,171,672	28,443,198	23,093,686	20,492,082
Interest paid.....	360,751,612	53,252,816	470,917	517,712	649,970	977,035
Net income (less deficit) <sup>3</sup> .....	294,051,141	4,124,215	2,457,162	1,862,753	1,560,644	1,043,552
Total income tax before credits <sup>4</sup> .....	42,944,799	2,271,302	84,576	110,334	142,611	170,443
Total Income tax after credits <sup>4</sup> .....	38,473,626	2,219,983	83,262	107,770	141,361	165,268
<b>FINANCE AND INSURANCE</b>						
Number of returns.....	218,193	14,623	102,819	29,863	20,781	13,168
Total assets.....	17,305,086,833	--	2,762,813	4,647,704	7,332,281	9,462,930
Net worth.....	7,518,173,882	--	-1,735,956	-72,612	-1,325,771	-2,937,846
Total receipts <sup>3</sup> .....	2,357,691,805	115,735,586	14,252,872	12,855,435	13,420,009	11,367,461
Business receipts.....	1,285,017,559	37,584,878	13,849,025	12,353,927	12,834,092	10,205,804
Interest paid.....	344,911,753	52,496,857	197,778	182,420	274,928	346,617
Net income (less deficit) <sup>3</sup> .....	285,178,258	4,186,097	1,051,504	669,914	742,882	307,629
Total income tax before credits <sup>4</sup> .....	40,155,581	1,950,991	34,320	32,910	61,449	49,894
Total Income tax after credits <sup>4</sup> .....	35,809,588	1,908,317	33,054	32,908	61,041	49,223
<b>REAL ESTATE AND RENTAL AND LEASING</b>						
Number of returns.....	521,917	40,345	218,128	91,826	65,500	48,746
Total assets.....	496,174,007	--	6,779,608	15,107,141	23,246,583	34,420,015
Net worth.....	138,405,897	--	-422,437	5,402,467	7,549,442	9,493,168
Total receipts <sup>3</sup> .....	205,765,416	6,523,169	20,354,578	16,913,056	11,370,870	11,656,420
Business receipts.....	175,701,248	4,142,987	19,322,647	16,089,270	10,259,594	10,286,278
Interest paid.....	15,839,859	755,959	273,140	335,292	375,042	630,418
Net income (less deficit) <sup>3</sup> .....	8,872,883	-61,882	1,405,657	1,192,839	817,762	735,924
Total income tax before credits <sup>4</sup> .....	2,789,218	320,311	50,256	77,424	81,162	120,549
Total Income tax after credits <sup>4</sup> .....	2,664,038	311,667	50,208	74,862	80,320	116,045

Footnotes at end of table.

# Corporation Income Tax Returns, 1998

**Table 2.--Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Sector and by Asset Size--Continued**

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars]

Item, industrial sector	Total	Size of total assets				
		Zero assets <sup>1</sup>	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
	(1)	(2)	(3)	(4)	(5)	(6)
<b>PROFESSIONAL AND BUSINESS SERVICES</b>						
Number of returns.....	855,164	60,208	589,306	102,473	42,577	23,790
Total assets.....	6,524,034,684	--	14,213,251	16,486,348	14,815,077	16,420,232
Net worth.....	973,999,336	--	-2,123,257	4,979,382	4,144,740	4,613,011
Total receipts <sup>3</sup> .....	1,391,739,503	96,198,416	127,662,281	70,259,924	58,982,159	52,120,872
Business receipts.....	895,077,802	26,761,301	124,739,699	68,920,951	57,767,318	50,247,297
Interest paid.....	239,062,254	34,939,712	663,031	517,633	400,586	421,340
Net income (less deficit) <sup>3</sup> .....	82,205,220	3,941,550	6,555,869	3,315,058	2,145,746	882,580
Total income tax before credits <sup>4</sup> .....	26,726,770	2,205,750	166,136	151,068	126,822	160,967
Total Income tax after credits <sup>4</sup> .....	22,654,475	1,407,286	164,178	149,996	124,833	157,857
<b>PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES</b>						
Number of returns.....	623,784	44,406	442,454	70,992	29,571	15,779
Total assets.....	299,636,432	--	10,191,371	11,368,264	10,277,781	10,785,831
Net worth.....	110,823,199	--	-1,384,855	3,208,580	2,413,926	2,967,147
Total receipts <sup>3</sup> .....	563,742,939	10,260,348	85,507,356	50,759,599	42,245,856	37,007,474
Business receipts.....	540,924,209	9,606,114	83,267,388	49,728,227	41,323,226	36,220,308
Interest paid.....	6,192,565	120,732	457,563	363,499	259,729	262,157
Net income (less deficit) <sup>3</sup> .....	18,166,687	-699,983	5,451,688	2,432,561	1,712,620	642,545
Total income tax before credits <sup>4</sup> .....	4,892,809	98,929	126,956	110,368	95,273	123,630
Total Income tax after credits <sup>4</sup> .....	4,277,480	94,058	125,150	109,320	95,009	122,454
<b>MANAGEMENT OF COMPANIES (HOLDING COMPANIES)</b>						
Number of returns.....	30,931	3,078	10,616	3,713	2,434	1,949
Total assets.....	6,036,081,553	--	321,976	604,628	867,542	1,397,511
Net worth.....	794,827,208	--	23,874	432,238	370,615	524,598
Total receipts <sup>3</sup> .....	550,818,360	79,773,019	123,357	74,862	134,886	195,421
Business receipts.....	90,497,966	11,355,486	*59,698	*1,552	*10,652	*12,196
Interest paid.....	227,006,009	34,661,740	25,733	*5,543	48,277	35,590
Net income (less deficit) <sup>3</sup> .....	56,727,056	4,650,232	-74,948	-16,711	-6,515	-38,217
Total income tax before credits <sup>4</sup> .....	19,773,001	2,056,832	*15,004	6,028	7,915	11,306
Total Income tax after credits <sup>4</sup> .....	16,608,717	1,263,702	*15,004	6,028	*6,215	9,599
<b>ADMINISTRATIVE AND SUPPORT AND WASTE MANAGEMENT AND REMEDIATION SERVICES</b>						
Number of returns.....	200,449	12,724	136,236	27,768	10,572	6,062
Total assets.....	188,316,699	--	3,699,904	4,513,456	3,669,754	4,236,890
Net worth.....	68,348,928	--	-762,275	1,338,564	1,360,199	1,121,267
Total receipts <sup>3</sup> .....	277,178,204	6,165,050	42,031,568	19,425,464	16,601,416	14,917,977
Business receipts.....	263,655,627	5,799,701	41,412,613	19,191,172	16,433,439	14,014,794
Interest paid.....	5,863,680	157,240	179,735	148,591	92,580	123,593
Net income (less deficit) <sup>3</sup> .....	7,311,477	-8,698	1,179,128	899,207	439,642	278,252
Total income tax before credits <sup>4</sup> .....	2,060,959	49,989	24,176	34,672	23,633	26,030
Total Income tax after credits <sup>4</sup> .....	1,768,277	49,526	24,025	34,648	23,608	25,804
<b>EDUCATION, HEALTH, AND SOCIAL ASSISTANCE</b>						
Number of returns.....	344,217	21,484	231,017	56,752	17,982	7,154
Total assets.....	229,721,781	--	7,288,078	8,832,518	6,320,392	4,989,844
Net worth.....	74,916,588	--	361,802	2,145,933	1,039,948	1,094,358
Total receipts <sup>3</sup> .....	398,377,015	7,008,123	95,678,181	41,674,797	27,841,321	21,236,298
Business receipts.....	380,353,867	6,421,902	93,812,547	40,286,382	27,248,628	18,762,948
Interest paid.....	7,627,163	127,472	269,467	360,092	268,476	178,887
Net income (less deficit) <sup>3</sup> .....	4,975,820	-95,090	2,333,458	1,471,711	578,230	493,729
Total income tax before credits <sup>4</sup> .....	1,941,743	34,270	76,379	54,564	43,164	35,299
Total Income tax after credits <sup>4</sup> .....	1,892,733	33,611	74,782	52,741	42,883	35,299

Footnotes at end of table.

# Corporation Income Tax Returns, 1998

**Table 2.--Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Sector and by Asset Size--Continued**

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars]

Item, industrial sector	Total	Size of total assets				
		Zero assets <sup>1</sup>	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
	(1)	(2)	(3)	(4)	(5)	(6)
<b>EDUCATIONAL SERVICES</b>						
Number of returns.....	36,959	1,569	28,148	3,353	2,021	836
Total assets.....	12,015,998	--	838,464	512,575	707,786	607,239
Net worth.....	4,711,049	--	147,735	159,614	-21,901	56,974
Total receipts <sup>3</sup> .....	25,845,444	234,547	7,178,809	1,631,408	2,075,677	2,891,956
Business receipts.....	23,196,929	203,062	7,122,720	1,593,983	2,043,257	937,395
Interest paid.....	247,281	*828	20,970	19,268	20,116	26,193
Net income (less deficit) <sup>3</sup> .....	841,910	9,041	154,963	84,818	73,769	-2,614
Total income tax before credits <sup>4</sup> .....	172,739	*1,435	4,569	*2,225	*5,954	*5,506
Total Income tax after credits <sup>4</sup> .....	160,680	*1,435	4,569	*2,003	*5,954	*5,506
<b>HEALTH CARE AND SOCIAL ASSISTANCE</b>						
Number of returns.....	307,258	19,914	202,869	53,399	15,961	6,318
Total assets.....	217,705,783	--	6,449,615	8,319,943	5,612,606	4,382,605
Net worth.....	70,205,539	--	214,067	1,986,319	1,061,849	1,037,384
Total receipts <sup>3</sup> .....	372,531,571	6,773,576	88,499,372	40,043,389	25,765,644	18,344,342
Business receipts.....	357,156,938	6,218,840	86,689,827	38,692,399	25,205,371	17,825,553
Interest paid.....	7,379,882	126,643	248,497	340,824	248,360	152,694
Net income (less deficit) <sup>3</sup> .....	4,133,910	-104,131	2,178,496	1,386,892	504,461	496,343
Total income tax before credits <sup>4</sup> .....	1,769,004	32,836	71,810	52,339	37,210	29,793
Total Income tax after credits <sup>4</sup> .....	1,732,053	32,176	70,213	50,738	36,930	29,793
<b>LEISURE, ACCOMMODATION, AND FOOD SERVICES</b>						
Number of returns.....	338,301	22,996	179,453	64,052	31,694	18,578
Total assets.....	331,130,569	--	5,944,422	10,574,720	11,028,453	12,628,926
Net worth.....	101,006,197	--	-3,490,020	1,525,749	2,178,287	3,156,742
Total receipts <sup>3</sup> .....	384,801,292	9,014,943	35,512,752	31,964,807	28,143,494	23,991,800
Business receipts.....	356,074,237	7,047,960	34,827,319	31,464,272	27,535,162	23,203,073
Interest paid.....	14,036,999	1,344,421	249,285	357,882	375,170	430,790
Net income (less deficit) <sup>3</sup> .....	9,759,481	-1,090,080	397,186	328,885	659,432	741,413
Total income tax before credits <sup>4</sup> .....	3,292,864	75,890	24,518	31,552	48,540	32,424
Total Income tax after credits <sup>4</sup> .....	2,587,035	68,601	24,511	27,156	37,936	26,418
<b>ARTS, ENTERTAINMENT, AND RECREATION</b>						
Number of returns.....	92,966	6,323	52,815	15,613	7,889	4,462
Total assets.....	73,334,657	--	1,173,498	2,594,171	2,901,656	3,055,319
Net worth.....	18,208,673	--	-1,521,855	617,532	374,096	898,878
Total receipts <sup>3</sup> .....	67,273,020	1,539,043	7,156,749	6,013,208	5,058,799	4,522,719
Business receipts.....	60,387,702	963,752	7,112,285	5,839,021	4,885,236	4,179,848
Interest paid.....	2,859,173	101,548	47,771	75,788	89,721	72,718
Net income (less deficit) <sup>3</sup> .....	1,864,448	9,975	263,956	130,620	117,443	89,282
Total income tax before credits <sup>4</sup> .....	613,745	17,056	11,561	5,639	14,019	4,763
Total Income tax after credits <sup>4</sup> .....	535,839	16,740	11,555	5,639	13,123	4,271
<b>ACCOMMODATION AND FOOD SERVICES</b>						
Number of returns.....	245,334	16,673	126,638	48,439	23,805	14,116
Total assets.....	257,795,912	--	4,770,924	7,980,548	8,126,797	9,573,607
Net worth.....	82,797,524	--	-1,968,166	908,217	1,804,190	2,257,865
Total receipts <sup>3</sup> .....	317,528,271	7,475,900	28,356,003	25,951,600	23,084,694	19,469,081
Business receipts.....	295,686,536	6,084,208	27,715,034	25,625,251	22,649,926	19,023,225
Interest paid.....	11,177,826	1,242,872	201,515	282,093	285,449	358,072
Net income (less deficit) <sup>3</sup> .....	7,895,034	-1,100,055	133,230	198,265	541,989	652,132
Total income tax before credits <sup>4</sup> .....	2,679,119	58,834	12,957	25,913	34,521	27,661
Total Income tax after credits <sup>4</sup> .....	2,051,196	51,860	12,956	21,517	24,813	22,147

Footnotes at end of table.

# Corporation Income Tax Returns, 1998

**Table 2.--Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Sector and by Asset Size--Continued**

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars]

Item, industrial sector	Total	Size of total assets				
		Zero assets <sup>1</sup>	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
	(1)	(2)	(3)	(4)	(5)	(6)
<b>OTHER SERVICES</b>						
Number of returns.....	300,313	21,639	188,375	47,086	23,682	11,329
Total assets.....	87,416,961	--	5,694,493	7,541,575	8,169,707	7,971,379
Net worth.....	30,679,258	--	1,209,332	3,059,616	3,299,010	2,980,875
Total receipts <sup>3</sup> .....	148,369,892	2,526,682	31,489,132	20,199,614	17,395,321	15,294,266
Business receipts.....	143,395,451	2,282,751	30,859,717	19,819,097	16,896,224	14,755,444
Interest paid.....	2,731,937	53,309	167,073	193,089	282,162	246,281
Net income (less deficit) <sup>3</sup> .....	4,591,932	-36,468	1,009,393	587,878	446,373	420,380
Total income tax before credits <sup>4</sup> .....	824,431	14,316	37,415	32,019	36,755	43,614
Total Income tax after credits <sup>4</sup> .....	785,562	13,740	36,857	31,363	36,750	42,631

Footnotes at end of table.

# Corporation Income Tax Returns, 1998

**Table 2.--Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Sector and by Asset Size--Continued**

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars]

Item, industrial sector	Size of total assets--continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>ALL INDUSTRIES <sup>2</sup></b>							
Number of returns.....	347,416	52,411	32,977	12,948	8,862	8,208	9,669
Total assets.....	731,984,452	363,016,963	506,967,578	455,366,076	629,654,520	1,294,209,522	32,773,828,703
Net worth.....	213,895,337	108,044,721	160,540,907	164,058,388	242,227,675	556,294,800	11,542,248,785
Total receipts <sup>3</sup> .....	1,554,200,931	751,537,041	878,602,162	545,850,843	529,568,062	790,116,879	9,906,918,450
Business receipts.....	1,518,864,579	733,657,776	852,813,234	522,037,985	492,533,393	714,404,628	8,017,940,972
Interest paid.....	19,428,286	8,970,280	13,371,265	11,159,101	15,817,182	30,482,565	755,380,891
Net income (less deficit) <sup>3</sup> .....	30,230,776	15,167,172	17,061,143	11,567,093	16,387,195	31,871,533	659,479,533
Total income tax before credits <sup>4</sup> .....	5,651,814	3,241,430	4,771,411	4,082,543	5,491,351	10,490,105	187,932,053
Total Income tax after credits <sup>4</sup> .....	5,481,631	3,105,822	4,549,447	3,823,080	5,041,075	9,296,441	141,638,062
<b>RAW MATERIALS AND ENERGY PRODUCTION</b>							
Number of returns.....	17,257	1,812	1,109	357	233	177	349
Total assets.....	32,983,337	12,486,648	17,081,284	12,398,822	16,373,987	28,028,858	1,323,879,347
Net worth.....	11,857,336	5,039,114	7,111,996	5,080,955	6,642,744	9,575,333	496,754,090
Total receipts <sup>3</sup> .....	35,700,491	12,922,579	16,141,480	10,685,808	14,033,482	19,098,423	550,889,153
Business receipts.....	31,843,243	11,938,436	14,623,301	9,998,299	13,277,162	17,629,312	517,049,733
Interest paid.....	1,105,559	317,390	439,399	297,535	402,322	950,906	34,295,935
Net income (less deficit) <sup>3</sup> .....	44,639	192,890	92,886	-31,368	-58,413	-148,283	31,970,834
Total income tax before credits <sup>4</sup> .....	142,346	86,030	130,509	91,595	106,105	303,413	14,258,535
Total Income tax after credits <sup>4</sup> .....	136,537	80,953	123,008	83,853	87,548	262,092	12,005,778
<b>AGRICULTURE, FORESTRY, FISHING, AND HUNTING</b>							
Number of returns.....	13,151	1,034	520	130	73	44	19
Total assets.....	24,514,304	6,983,933	7,925,828	4,489,114	5,070,888	6,539,906	14,436,559
Net worth.....	8,941,988	2,732,902	3,004,735	1,949,252	1,989,783	2,406,638	7,025,713
Total receipts <sup>3</sup> .....	26,689,510	7,433,201	8,557,072	5,325,048	6,409,047	7,537,442	7,844,916
Business receipts.....	23,659,492	6,958,009	8,031,239	5,085,081	6,133,723	7,161,128	7,095,021
Interest paid.....	860,698	191,617	234,925	113,319	133,120	183,355	398,767
Net income (less deficit) <sup>3</sup> .....	22,057	35,736	-23,294	56,307	-33,448	49,298	257,842
Total income tax before credits <sup>4</sup> .....	85,624	38,691	47,542	32,835	18,691	71,947	179,939
Total Income tax after credits <sup>4</sup> .....	82,027	37,586	46,266	30,173	17,841	69,711	120,446
<b>MINING</b>							
Number of returns.....	3,216	612	474	192	120	94	150
Total assets.....	6,629,533	4,315,781	7,364,214	6,706,798	8,512,712	15,349,574	291,202,752
Net worth.....	2,399,797	1,937,333	3,522,098	2,970,843	4,047,602	5,461,608	148,776,899
Total receipts <sup>3</sup> .....	7,477,190	3,194,638	5,545,299	4,147,682	4,014,969	8,032,876	86,043,541
Business receipts.....	6,783,327	2,764,433	5,001,677	3,783,449	3,605,473	7,127,506	76,650,708
Interest paid.....	164,251	100,492	161,693	161,455	184,218	515,351	6,159,120
Net income (less deficit) <sup>3</sup> .....	29,362	71,978	15,441	-153,041	-59,915	-416,094	1,157,283
Total income tax before credits <sup>4</sup> .....	43,541	20,730	49,931	36,615	62,877	170,044	1,564,917
Total Income tax after credits <sup>4</sup> .....	42,231	18,403	46,402	31,915	45,723	137,195	954,704
<b>UTILITIES</b>							
Number of returns.....	891	166	115	34	39	39	180
Total assets.....	1,839,500	1,186,935	1,791,241	1,202,909	2,790,388	6,139,378	1,018,240,037
Net worth.....	515,551	368,878	585,163	160,860	605,359	1,707,087	340,951,478
Total receipts <sup>3</sup> .....	1,533,792	2,294,739	2,039,109	1,213,079	3,609,466	3,528,105	457,000,696
Business receipts.....	1,400,423	2,215,995	1,590,385	1,129,769	3,537,965	3,340,678	433,304,004
Interest paid.....	80,611	25,281	42,782	22,761	84,985	252,201	27,738,048
Net income (less deficit) <sup>3</sup> .....	-6,780	85,175	100,739	65,366	34,951	218,513	30,555,709
Total income tax before credits <sup>4</sup> .....	13,182	26,608	33,036	22,145	24,536	61,423	12,513,679
Total Income tax after credits <sup>4</sup> .....	12,279	24,964	30,339	21,765	23,983	55,186	10,930,628

Footnotes at end of table.



# Corporation Income Tax Returns, 1998

**Table 2.--Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Sector and by Asset Size--Continued**

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars]

Item, industrial sector	Size of total assets--continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>GOODS PRODUCTION</b>							
Number of returns.....	98,006	16,631	10,217	3,616	1,935	1,529	1,603
Total assets.....	212,216,731	115,854,453	156,411,978	125,768,396	135,560,298	237,057,021	5,718,487,179
Net worth.....	72,279,043	42,426,843	60,711,373	51,260,012	56,060,096	94,087,591	1,895,048,380
Total receipts <sup>3</sup> .....	463,721,462	234,866,104	283,271,107	202,843,702	196,504,069	298,821,798	3,687,297,022
Business receipts.....	458,048,449	231,491,958	278,715,974	198,857,798	191,393,156	288,978,632	3,335,156,004
Interest paid.....	4,909,234	2,506,639	3,560,883	2,984,477	3,505,314	6,830,563	151,257,223
Net income (less deficit) <sup>3</sup> .....	13,759,826	7,751,009	9,012,441	5,850,512	7,503,707	11,828,220	207,414,598
Total income tax before credits <sup>4</sup> .....	2,138,160	1,273,754	1,959,862	1,705,348	2,259,365	4,468,842	73,808,606
Total Income tax after credits <sup>4</sup> .....	2,049,070	1,218,198	1,842,542	1,544,664	1,991,527	3,710,245	41,867,935
<b>CONSTRUCTION</b>							
Number of returns.....	49,465	6,457	3,012	752	285	169	103
Total assets.....	102,615,722	44,340,478	44,574,207	25,615,686	19,392,069	25,697,524	78,602,102
Net worth.....	29,825,522	12,608,901	13,415,702	7,933,513	6,052,734	7,482,701	26,960,908
Total receipts <sup>3</sup> .....	219,373,451	92,685,475	85,998,569	46,900,739	33,016,844	37,167,893	80,321,429
Business receipts.....	216,527,888	91,528,724	84,580,994	45,916,276	32,240,645	35,806,390	75,910,886
Interest paid.....	1,975,239	654,931	638,628	365,682	335,552	609,914	1,333,841
Net income (less deficit) <sup>3</sup> .....	6,447,060	3,124,553	2,667,967	1,549,274	862,500	1,123,588	3,324,583
Total income tax before credits <sup>4</sup> .....	905,323	393,988	399,314	186,039	162,116	266,928	986,871
Total Income tax after credits <sup>4</sup> .....	858,105	376,049	386,090	179,343	159,136	236,886	940,824
<b>MANUFACTURING</b>							
Number of returns.....	48,541	10,174	7,205	2,864	1,650	1,360	1,500
Total assets.....	109,601,009	71,513,976	111,837,772	100,152,710	116,168,229	211,359,496	5,639,885,077
Net worth.....	42,453,521	29,817,943	47,295,671	43,326,498	50,007,362	86,604,890	1,868,087,472
Total receipts <sup>3</sup> .....	244,348,010	142,180,629	197,272,538	155,942,963	163,487,225	261,653,905	3,606,975,593
Business receipts.....	241,520,561	139,963,235	194,134,980	152,941,521	159,152,511	253,172,242	3,259,245,118
Interest paid.....	2,933,996	1,851,708	2,922,255	2,618,795	3,169,763	6,220,649	149,923,382
Net income (less deficit) <sup>3</sup> .....	7,312,767	4,626,456	6,344,473	4,301,238	6,641,207	10,704,632	204,090,015
Total income tax before credits <sup>4</sup> .....	1,232,837	879,767	1,560,549	1,519,309	2,097,249	4,201,914	72,821,736
Total Income tax after credits <sup>4</sup> .....	1,190,965	842,149	1,456,452	1,365,321	1,832,391	3,473,359	40,927,111
<b>DISTRIBUTION AND TRANSPORTATION OF GOODS</b>							
Number of returns.....	104,788	16,791	9,412	2,566	1,202	866	736
Total assets.....	225,970,104	115,190,059	141,937,367	87,889,708	83,762,322	134,093,321	1,462,670,880
Net worth.....	72,390,828	32,089,387	41,512,873	27,653,628	28,644,643	42,572,043	504,056,535
Total receipts <sup>3</sup> .....	739,394,786	394,433,969	438,040,358	229,247,634	196,129,227	267,271,864	2,119,464,363
Business receipts.....	729,033,950	388,652,381	431,218,810	225,157,104	192,265,660	261,724,310	2,039,113,929
Interest paid.....	6,103,567	3,135,158	3,753,293	2,322,618	2,204,650	3,957,271	42,516,011
Net income (less deficit) <sup>3</sup> .....	10,757,087	6,163,689	7,556,658	3,684,242	3,654,608	5,073,714	56,650,268
Total income tax before credits <sup>4</sup> .....	1,678,460	905,861	1,271,775	956,002	1,037,537	1,728,639	21,880,666
Total Income tax after credits <sup>4</sup> .....	1,653,778	884,326	1,235,290	924,302	974,020	1,650,127	19,623,027
<b>WHOLESALE AND RETAIL TRADE</b>							
Number of returns.....	94,597	15,467	8,561	2,289	1,061	735	628
Total assets.....	204,836,688	106,550,518	129,046,349	78,278,737	73,635,021	113,993,143	1,103,269,450
Net worth.....	67,132,468	29,471,594	37,605,608	24,442,611	25,079,604	35,421,057	375,540,296
Total receipts <sup>3</sup> .....	690,674,693	376,828,885	414,769,180	215,139,270	181,708,665	244,030,536	1,848,331,999
Business receipts.....	681,413,752	371,476,554	408,546,968	211,569,116	178,332,762	239,159,063	1,781,026,778
Interest paid.....	5,361,023	2,846,272	3,349,025	2,066,327	1,924,081	3,406,264	33,034,341
Net income (less deficit) <sup>3</sup> .....	9,851,604	5,755,026	7,152,380	3,255,598	3,289,615	4,204,796	45,894,430
Total income tax before credits <sup>4</sup> .....	1,486,727	795,983	1,126,301	814,492	913,293	1,472,059	17,766,959
Total Income tax after credits <sup>4</sup> .....	1,471,210	779,789	1,098,833	788,223	855,769	1,403,698	16,217,069

Footnotes at end of table.

# Corporation Income Tax Returns, 1998

**Table 2.--Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Sector and by Asset Size--Continued**

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars]

Item, industrial sector	Size of total assets--continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>TRANSPORTATION AND WAREHOUSING</b>							
Number of returns.....	10,191	1,324	851	277	140	130	108
Total assets.....	21,133,416	8,639,542	12,891,018	9,610,971	10,127,302	20,100,177	359,401,430
Net worth.....	5,258,360	2,617,793	3,907,265	3,211,017	3,565,039	7,150,986	128,516,239
Total receipts <sup>3</sup> .....	48,720,093	17,605,083	23,271,179	14,108,363	14,420,562	23,241,328	271,132,364
Business receipts.....	47,620,197	17,175,827	22,671,842	13,587,988	13,932,898	22,565,247	258,087,151
Interest paid.....	742,543	288,886	404,268	256,291	280,570	551,007	9,481,670
Net income (less deficit) <sup>3</sup> .....	905,483	408,663	404,278	428,644	364,993	868,918	10,755,838
Total income tax before credits <sup>4</sup> .....	191,733	109,877	145,474	141,510	124,245	256,580	4,113,706
Total Income tax after credits <sup>4</sup> .....	182,568	104,537	136,457	136,079	118,252	246,429	3,405,958
<b>INFORMATION</b>							
Number of returns.....	6,904	1,316	1,070	393	275	225	352
Total assets.....	14,819,306	9,497,432	16,638,305	13,458,106	19,437,600	34,754,545	1,539,141,206
Net worth.....	2,921,207	2,730,971	5,757,743	5,003,448	6,368,386	7,218,030	603,317,288
Total receipts <sup>3</sup> .....	24,452,956	11,898,053	16,647,427	10,963,474	14,296,568	23,493,738	605,784,510
Business receipts.....	23,521,717	11,414,048	15,599,264	10,297,428	13,295,606	21,367,900	525,216,982
Interest paid.....	410,596	245,326	404,727	364,365	508,572	1,388,517	47,429,503
Net income (less deficit) <sup>3</sup> .....	-845,616	-139,037	-93,206	278,710	473,579	-519,934	34,391,417
Total income tax before credits <sup>4</sup> .....	141,879	131,320	256,413	180,505	340,648	425,594	18,461,429
Total Income tax after credits <sup>4</sup> .....	139,144	126,327	243,026	173,526	327,326	374,356	16,505,147
<b>FINANCE, INSURANCE, REAL ESTATE, AND RENTAL AND LEASING</b>							
Number of returns.....	62,966	9,214	6,662	3,663	3,086	3,533	5,188
Total assets.....	130,614,235	64,506,427	104,628,192	131,288,914	220,591,034	569,007,578	16,476,865,385
Net worth.....	26,388,591	12,120,115	24,788,021	52,920,879	108,987,460	344,975,165	7,070,449,093
Total receipts <sup>3</sup> .....	57,225,476	26,464,473	33,661,994	31,039,197	36,086,685	74,207,246	2,070,322,692
Business receipts.....	50,000,844	22,192,623	26,458,772	22,809,105	20,774,422	38,542,886	1,133,011,653
Interest paid.....	3,208,031	1,519,549	3,358,227	2,831,125	4,775,088	8,349,794	280,841,348
Net income (less deficit) <sup>3</sup> .....	2,338,823	1,009,858	308,652	1,510,131	3,420,001	11,080,473	263,334,877
Total income tax before credits <sup>4</sup> .....	686,037	394,948	551,901	546,157	739,565	1,482,571	35,764,353
Total Income tax after credits <sup>4</sup> .....	670,764	372,723	538,049	527,487	718,992	1,429,760	31,498,207
<b>FINANCE AND INSURANCE</b>							
Number of returns.....	15,468	3,771	3,743	2,825	2,729	3,348	5,056
Total assets.....	33,742,935	26,864,071	60,715,105	102,226,739	195,662,147	539,255,622	16,322,414,486
Net worth.....	746,025	1,416,797	12,099,928	44,286,284	101,542,959	335,383,272	7,028,770,802
Total receipts <sup>3</sup> .....	26,538,326	15,619,800	20,271,817	22,236,442	29,222,398	65,249,047	2,010,922,612
Business receipts.....	23,194,972	13,380,071	15,393,555	15,615,068	15,637,848	31,546,563	1,083,421,755
Interest paid.....	1,101,162	483,319	2,097,717	1,995,011	3,985,836	7,460,673	274,289,436
Net income (less deficit) <sup>3</sup> .....	938,951	504,482	-120,673	1,207,285	3,084,813	10,412,591	262,192,783
Total income tax before credits <sup>4</sup> .....	259,069	193,320	326,346	355,840	591,656	1,238,610	35,061,174
Total Income tax after credits <sup>4</sup> .....	248,479	184,311	318,625	343,789	580,906	1,199,022	30,849,914
<b>REAL ESTATE AND RENTAL AND LEASING</b>							
Number of returns.....	47,498	5,443	2,919	838	357	184	132
Total assets.....	96,871,300	37,642,356	43,913,087	29,062,174	24,928,887	29,751,956	154,450,899
Net worth.....	25,642,566	10,703,318	12,688,093	8,634,595	7,444,501	9,591,894	41,678,291
Total receipts <sup>3</sup> .....	30,687,150	10,844,673	13,390,178	8,802,755	6,864,287	8,958,199	59,400,080
Business receipts.....	26,805,872	8,812,552	11,065,218	7,194,037	5,136,574	6,996,322	49,589,897
Interest paid.....	2,106,868	1,036,230	1,260,510	836,114	789,252	889,121	6,551,913
Net income (less deficit) <sup>3</sup> .....	1,399,871	505,376	429,324	302,847	335,188	667,881	1,142,095
Total income tax before credits <sup>4</sup> .....	426,967	201,628	225,555	190,316	147,909	243,961	703,179
Total Income tax after credits <sup>4</sup> .....	422,285	188,411	219,425	183,698	138,086	230,739	648,293

Footnotes at end of table.

# Corporation Income Tax Returns, 1998

**Table 2.--Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Sector and by Asset Size--Continued**

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars]

Item, industrial sector	Size of total assets--continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>PROFESSIONAL AND BUSINESS SERVICES</b>							
Number of returns.....	24,216	3,479	2,713	1,776	1,793	1,632	1,200
Total assets.....	50,530,826	23,571,051	42,838,217	64,453,415	129,442,377	253,419,887	5,897,844,003
Net worth.....	16,234,950	8,765,786	13,246,931	16,085,591	28,543,215	47,328,747	832,180,240
Total receipts <sup>3</sup> .....	123,209,438	39,906,676	54,207,465	36,665,357	46,863,676	73,555,001	612,108,238
Business receipts.....	119,165,988	38,251,547	51,535,951	32,024,929	37,797,821	55,387,390	232,477,610
Interest paid.....	1,160,972	445,271	915,500	1,684,043	3,597,482	7,618,899	186,697,783
Net income (less deficit) <sup>3</sup> .....	2,123,077	157,004	176,936	400,912	1,546,619	4,434,638	56,525,230
Total income tax before credits <sup>4</sup> .....	570,485	328,486	413,773	461,533	778,265	1,766,283	19,597,202
Total Income tax after credits <sup>4</sup> .....	548,325	309,727	389,372	439,625	727,976	1,593,336	16,641,965
<b>PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES</b>							
Number of returns.....	15,939	2,122	1,412	497	310	191	111
Total assets.....	33,282,345	14,339,247	21,485,627	17,492,063	22,218,523	30,409,620	117,785,759
Net worth.....	9,392,459	4,945,535	6,992,418	6,562,772	9,945,283	12,841,082	52,938,854
Total receipts <sup>3</sup> .....	87,743,030	27,634,135	38,206,349	24,912,026	22,589,327	35,880,845	100,996,595
Business receipts.....	85,031,867	26,986,382	36,872,628	23,557,503	21,413,546	33,178,480	93,738,540
Interest paid.....	748,846	251,836	407,053	318,729	338,771	737,772	1,925,877
Net income (less deficit) <sup>3</sup> .....	1,060,726	-225,375	-298,226	-196,475	-135,219	927,562	7,494,263
Total income tax before credits <sup>4</sup> .....	375,526	170,744	245,313	233,633	285,502	555,084	2,471,850
Total Income tax after credits <sup>4</sup> .....	357,409	163,885	233,391	219,612	259,644	510,085	1,987,463
<b>MANAGEMENT OF COMPANIES (HOLDING COMPANIES)</b>							
Number of returns.....	2,595	706	907	1,140	1,393	1,377	1,022
Total assets.....	5,675,688	4,926,712	15,273,873	42,154,646	100,846,628	212,934,993	5,651,077,355
Net worth.....	3,276,984	2,567,926	4,689,821	8,065,666	16,559,623	30,792,384	727,523,480
Total receipts <sup>3</sup> .....	904,916	720,472	1,563,496	3,555,957	8,799,265	19,625,455	435,347,255
Business receipts.....	356,056	165,022	558,654	639,698	1,777,303	4,846,539	70,715,110
Interest paid.....	113,557	71,795	361,211	1,231,296	3,093,296	6,610,957	180,747,015
Net income (less deficit) <sup>3</sup> .....	145,671	204,517	162,701	478,273	1,324,292	2,942,039	46,955,724
Total income tax before credits <sup>4</sup> .....	63,032	98,136	90,897	177,459	382,844	1,034,766	15,828,783
Total Income tax after credits <sup>4</sup> .....	60,650	87,845	79,680	172,988	363,614	914,616	13,628,777
<b>ADMINISTRATIVE AND SUPPORT AND WASTE MANAGEMENT AND REMEDIATION SERVICES</b>							
Number of returns.....	5,683	651	393	138	90	64	67
Total assets.....	11,572,793	4,305,092	6,078,717	4,806,706	6,377,226	10,075,274	128,980,889
Net worth.....	3,565,507	1,252,325	1,564,692	1,457,152	2,038,310	3,695,282	51,717,907
Total receipts <sup>3</sup> .....	34,561,492	11,552,069	14,437,620	8,197,375	15,475,084	18,048,701	75,764,388
Business receipts.....	33,778,065	11,100,143	14,104,669	7,827,728	14,606,972	17,362,372	68,023,960
Interest paid.....	298,569	121,640	147,237	134,018	165,415	270,170	4,024,892
Net income (less deficit) <sup>3</sup> .....	916,680	177,862	312,461	119,114	357,547	565,037	2,075,244
Total income tax before credits <sup>4</sup> .....	131,927	59,606	77,563	50,441	109,920	176,433	1,296,570
Total Income tax after credits <sup>4</sup> .....	130,266	57,998	76,301	47,024	104,718	168,635	1,025,724
<b>EDUCATION, HEALTH, AND SOCIAL ASSISTANCE</b>							
Number of returns.....	7,972	823	553	202	133	76	69
Total assets.....	16,063,106	5,912,983	8,539,584	6,919,466	9,645,216	11,751,950	143,458,644
Net worth.....	531,318	589,381	1,584,743	1,842,728	2,452,013	3,690,326	59,584,038
Total receipts <sup>3</sup> .....	45,799,089	12,901,214	14,785,365	10,569,501	10,960,260	11,913,991	98,008,875
Business receipts.....	44,465,710	12,392,346	13,986,398	9,929,643	10,317,597	10,929,812	91,799,955
Interest paid.....	541,126	214,610	260,670	239,096	314,778	367,661	4,484,830
Net income (less deficit) <sup>3</sup> .....	359,627	-357,940	-514,347	-433,620	-477,297	-50,958	1,668,317
Total income tax before credits <sup>4</sup> .....	83,045	34,978	53,440	48,777	70,717	106,080	1,301,029
Total Income tax after credits <sup>4</sup> .....	81,096	34,436	50,993	46,267	67,313	98,849	1,274,462

Footnotes at end of table.

# Corporation Income Tax Returns, 1998

**Table 2.--Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Sector and by Asset Size--Continued**

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars]

Item, industrial sector	Size of total assets--continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>EDUCATIONAL SERVICES</b>							
Number of returns.....	837	74	68	24	14	8	6
Total assets.....	1,796,420	538,445	1,072,092	841,111	1,050,761	1,050,332	3,000,772
Net worth.....	840,674	197,321	221,999	120,657	570,317	521,922	1,895,737
Total receipts <sup>3</sup> .....	4,065,904	857,308	1,978,829	1,249,522	991,084	1,074,013	1,616,386
Business receipts.....	3,917,211	838,006	1,861,459	1,220,982	938,357	1,028,890	1,491,607
Interest paid.....	25,377	10,334	31,125	42,077	11,604	10,547	28,843
Net income (less deficit) <sup>3</sup> .....	215,302	28,312	23,735	-5,078	65,771	40,913	152,979
Total income tax before credits <sup>4</sup> .....	10,697	*6,745	7,675	9,353	30,915	26,415	61,252
Total Income tax after credits <sup>4</sup> .....	9,714	*6,743	7,529	8,131	30,274	21,723	57,100
<b>HEALTH CARE AND SOCIAL ASSISTANCE</b>							
Number of returns.....	7,135	749	485	177	119	68	63
Total assets.....	14,266,686	5,374,538	7,467,492	6,078,355	8,594,454	10,701,618	140,457,873
Net worth.....	-309,356	392,060	1,362,744	1,722,071	1,881,696	3,168,404	57,688,301
Total receipts <sup>3</sup> .....	41,733,185	12,043,907	12,806,536	9,319,979	9,969,176	10,839,978	96,392,489
Business receipts.....	40,548,499	11,554,340	12,124,939	8,708,660	9,379,240	9,900,922	90,308,348
Interest paid.....	515,749	204,276	229,545	197,019	303,174	357,114	4,455,988
Net income (less deficit) <sup>3</sup> .....	144,325	-386,253	-538,082	-428,541	-543,067	-91,870	1,515,337
Total income tax before credits <sup>4</sup> .....	72,349	28,233	45,765	39,424	39,803	79,665	1,239,777
Total Income tax after credits <sup>4</sup> .....	71,382	27,693	43,464	38,137	37,039	77,126	1,217,362
<b>LEISURE, ACCOMMODATION, AND FOOD SERVICES</b>							
Number of returns.....	17,991	1,835	957	291	161	150	143
Total assets.....	35,726,110	12,468,943	14,702,510	10,216,411	11,549,635	23,130,054	183,160,384
Net worth.....	5,786,236	2,946,883	4,248,669	2,972,101	3,608,070	5,896,377	72,177,104
Total receipts <sup>3</sup> .....	42,325,987	13,277,733	16,182,444	9,704,510	11,562,371	19,324,475	143,795,977
Business receipts.....	41,138,341	12,704,576	15,247,914	8,982,684	10,455,818	17,538,860	125,928,259
Interest paid.....	1,625,284	508,833	572,182	377,094	409,321	921,669	6,865,069
Net income (less deficit) <sup>3</sup> .....	1,028,314	220,494	307,926	177,905	321,928	233,256	6,432,822
Total income tax before credits <sup>4</sup> .....	109,506	41,718	91,884	62,516	135,857	196,172	2,442,287
Total Income tax after credits <sup>4</sup> .....	103,677	36,548	86,274	54,921	123,334	168,841	1,828,817
<b>ARTS, ENTERTAINMENT, AND RECREATION</b>							
Number of returns.....	4,705	579	337	102	64	46	31
Total assets.....	9,432,268	4,018,618	5,151,228	3,543,760	4,457,958	6,938,380	30,067,800
Net worth.....	1,108,777	764,286	2,049,310	1,318,338	1,533,358	1,593,463	9,472,490
Total receipts <sup>3</sup> .....	9,663,532	3,435,019	3,730,817	2,327,917	4,414,169	5,054,097	14,356,951
Business receipts.....	9,248,788	3,118,614	3,241,276	1,924,047	3,726,424	4,289,455	11,858,956
Interest paid.....	374,260	134,390	138,871	94,865	138,176	303,585	1,287,480
Net income (less deficit) <sup>3</sup> .....	179,467	23,191	67,016	60,091	252,359	36,431	634,616
Total income tax before credits <sup>4</sup> .....	47,639	11,269	39,705	20,893	73,769	67,082	300,350
Total Income tax after credits <sup>4</sup> .....	46,993	10,700	38,341	20,117	71,567	65,114	231,679
<b>ACCOMMODATION AND FOOD SERVICES</b>							
Number of returns.....	13,285	1,256	620	188	97	104	112
Total assets.....	26,293,842	8,450,325	9,551,282	6,672,651	7,091,677	16,191,674	153,092,584
Net worth.....	4,677,459	2,182,596	2,199,359	1,653,763	2,074,711	4,302,914	62,704,614
Total receipts <sup>3</sup> .....	32,662,454	9,842,714	12,451,627	7,376,593	7,148,202	14,270,378	129,439,026
Business receipts.....	31,889,553	9,585,962	12,006,638	7,058,637	6,729,395	13,249,404	114,069,303
Interest paid.....	1,251,024	374,443	433,311	282,229	271,145	618,084	5,577,589
Net income (less deficit) <sup>3</sup> .....	848,847	197,303	240,910	117,813	69,569	196,826	5,798,207
Total income tax before credits <sup>4</sup> .....	61,867	30,449	52,179	41,623	62,088	129,090	2,141,937
Total Income tax after credits <sup>4</sup> .....	56,684	25,848	47,933	34,804	51,767	103,727	1,597,138

Footnotes at end of table.

# Corporation Income Tax Returns, 1998

**Table 2.--Selected Balance Sheet, Income Statement, and Tax Items, by North American Industry Classification System (NAICS) Sector and by Asset Size--Continued**

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars]

Item, industrial sector	Size of total assets--continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>OTHER SERVICES</b>							
Number of returns.....	7,240	510	273	85	44	20	29
Total assets.....	12,934,558	3,528,967	4,023,410	2,972,839	3,292,052	2,966,308	28,321,674
Net worth.....	5,480,852	1,336,241	1,520,035	1,239,047	921,048	951,185	8,682,015
Total receipts <sup>3</sup> .....	22,193,006	4,866,240	5,464,284	4,131,661	3,131,724	2,430,343	19,247,619
Business receipts.....	21,485,593	4,619,860	5,247,243	3,980,996	2,956,151	2,305,526	18,186,848
Interest paid.....	360,226	77,505	103,416	58,748	99,654	97,285	993,188
Net income (less deficit) <sup>3</sup> .....	645,811	169,206	185,651	129,669	2,463	-59,594	1,091,170
Total income tax before credits <sup>4</sup> .....	95,180	44,335	36,942	30,109	23,290	12,511	417,944
Total Income tax after credits <sup>4</sup> .....	92,526	42,585	36,078	28,435	23,039	8,834	392,724

\* Estimates should be used with caution because of the small number of sample returns on which they were based.

<sup>1</sup> Zero-assets class includes returns of liquidating or dissolving corporations that disposed of all assets, final returns of merging companies whose assets were included in the returns of the acquiring corporations, part-year returns (except those of newly-incorporated businesses), and returns of foreign corporations with income "effectively connected" with a U.S. trade or business (except foreign insurance companies providing separate data for U.S. branches, assets for which are included in the appropriate size class).

<sup>2</sup> Includes returns where the nature of business is not allocable, which are not shown separately.

<sup>3</sup> Excludes net long-term capital gain reduced by net short-term capital loss of regulated investment companies and investment income, including capital gains, of S corporations (qualifying corporations electing to be taxed through shareholders).

<sup>4</sup> For purposes of the statistics, includes not only income tax, but alternative minimum tax, tax from recapture of investment and low-income housing credits, and certain other taxes. By law, only income tax could be reduced by tax credits.

NOTE: Detail may not add to totals because of rounding.

# Corporation Income Tax Returns, 1998

**Table 3.--Selected Balance Sheet, Income Statement, and Tax Items by Asset Size**

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars]

Item	Total	Size of total assets				
		Zero assets <sup>1</sup>	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
		(1)	(2)	(3)	(4)	(5)
<b>Number of returns.....</b>	<b>4,848,888</b>	<b>304,172</b>	<b>2,509,500</b>	<b>776,565</b>	<b>463,431</b>	<b>322,730</b>
<b>Total assets.....</b>	<b>37,347,352,986</b>	--	<b>75,220,851</b>	<b>126,417,360</b>	<b>163,814,039</b>	<b>226,872,923</b>
Cash.....	1,336,424,483	--	20,555,117	24,261,640	26,858,753	33,599,781
Notes and accounts receivable.....	7,061,547,469	--	6,699,416	15,821,027	25,028,284	39,491,106
Less: Allowance for bad debts.....	128,129,657	--	160,299	315,833	332,329	334,983
Inventories.....	1,139,210,381	--	7,463,745	16,146,662	22,256,935	33,408,583
Investments in U.S. Government obligations.....	1,365,651,984	--	42,864	193,033	450,920	510,263
Tax-exempt securities.....	958,653,471	--	31,445	105,734	166,655	543,983
Other current assets.....	2,738,441,339	--	3,299,562	5,985,990	7,861,957	12,120,813
Loans to stockholders.....	135,052,180	--	5,648,736	7,057,299	6,374,977	6,905,623
Mortgage and real estate loans.....	2,414,901,336	--	455,759	1,333,461	2,091,007	2,376,577
Other investments.....	13,201,119,823	--	2,533,597	6,356,565	9,538,891	14,564,811
Depreciable assets.....	6,541,280,743	--	89,955,048	103,080,884	115,984,765	143,621,760
Less: Accumulated depreciation.....	3,031,634,536	--	66,270,350	66,293,851	70,173,647	83,798,984
Depletable assets.....	192,668,634	--	396,959	502,868	399,491	1,055,547
Less: Accumulated depletion.....	92,307,154	--	243,759	298,970	141,536	530,278
Land.....	271,489,857	--	1,642,608	5,425,653	9,535,564	15,526,196
Intangible assets (amortizable).....	1,376,300,094	--	4,205,924	6,897,754	5,905,084	6,623,377
Less: Accumulated amortization.....	232,743,976	--	2,233,941	2,672,690	2,070,779	2,439,460
Other assets.....	2,099,426,516	--	1,198,420	2,830,132	4,079,047	3,628,207
<b>Total liabilities.....</b>	<b>37,347,352,986</b>	--	<b>75,220,851</b>	<b>126,417,360</b>	<b>163,814,039</b>	<b>226,872,923</b>
Accounts payable.....	2,501,289,043	--	9,023,166	14,305,891	20,280,462	30,196,113
Mortgages, notes, and bonds payable in less than 1 year.....	3,215,524,383	--	8,384,940	12,428,864	14,618,832	22,511,736
Other current liabilities.....	8,809,999,920	--	11,303,868	11,276,469	15,431,355	18,371,313
Loans from stockholders.....	361,234,088	--	37,763,824	26,558,457	24,718,007	26,082,288
Mortgages, notes, and bonds payable in 1 year or more.....	4,813,249,719	--	18,795,128	30,717,169	37,397,750	51,667,930
Other liabilities.....	4,537,780,597	--	3,885,712	4,944,901	8,904,116	11,792,258
Net worth.....	13,108,275,236	--	-13,935,786	26,185,609	42,463,518	66,251,285
Capital stock.....	3,244,023,916	--	17,385,662	15,568,705	15,649,635	18,918,476
Paid-in or capital surplus.....	8,610,169,238	--	23,876,527	20,158,986	19,076,788	23,704,382
Retained earnings, appropriated.....	185,163,160	--	275,323	394,222	805,891	1,102,563
Retained earnings, unappropriated.....	3,190,409,230	--	-51,526,550	-6,012,604	11,118,251	28,991,759
Adjustments to shareholders equity.....	-3,006,539	--	-261,848	358,664	173,623	268,323
Less: Cost of treasury stock.....	2,118,483,766	--	3,684,900	4,282,363	4,360,670	6,734,218
<b>Total receipts.....</b>	<b>17,323,955,004</b>	<b>412,489,344</b>	<b>539,788,649</b>	<b>448,077,953</b>	<b>441,806,636</b>	<b>524,998,052</b>
Business receipts.....	15,010,264,802	248,260,900	528,719,939	438,879,809	432,288,500	509,863,086
Interest.....	1,227,640,206	119,935,428	491,441	686,718	965,338	1,296,027
Interest on State and local Government obligations.....	49,128,679	669,226	10,003	25,212	21,505	87,783
Rents.....	106,686,977	5,038,592	350,720	341,468	568,139	695,854
Royalties.....	93,600,002	753,100	104,578	43,146	55,528	51,846
Net short-term capital gain less net long-term capital loss.....	37,302,058	907,682	46,790	197,595	124,355	104,419
Net long-term capital gain less net short-term capital loss <sup>2</sup> .....	125,012,968	6,737,626	734,289	793,750	890,180	1,115,875
Net gain, noncapital assets.....	69,519,362	5,299,456	917,912	900,622	713,865	1,137,503
Dividends, domestic corporations.....	20,010,007	242,711	15,993	87,723	110,310	116,726
Dividends, foreign corporations.....	49,232,904	523,107	*1,337	*36	795	*2,814
Other receipts.....	535,557,040	24,121,517	8,395,647	6,121,875	6,068,121	10,526,121

Footnotes at end of table.

# Corporation Income Tax Returns, 1998

**Table 3.--Selected Balance Sheet, Income Statement, and Tax Items by Asset Size--Continued**

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars]

Item	Total	Size of total assets				
		Zero assets <sup>1</sup>	\$1 under \$100,000	\$100,000 under \$250,000	\$250,000 under \$500,000	\$500,000 under \$1,000,000
		(1)	(2)	(3)	(4)	(5)
<b>Total deductions.....</b>	<b>16,489,425,015</b>	<b>406,262,133</b>	<b>522,722,422</b>	<b>436,057,930</b>	<b>431,484,568</b>	<b>513,712,908</b>
Cost of goods sold.....	9,362,392,237	134,488,404	182,083,263	209,385,019	224,462,674	297,833,193
Compensation of officers.....	356,850,517	9,005,325	75,826,820	40,892,005	32,576,465	31,482,835
Salaries and wages <sup>3</sup> .....	1,613,559,231	36,903,726	79,974,793	59,728,790	57,466,070	61,905,484
Repairs.....	130,298,655	2,191,470	5,057,363	4,298,266	4,579,690	4,782,078
Bad debts.....	86,371,104	10,204,480	848,843	823,273	1,117,500	1,347,721
Rent paid on business property.....	308,317,657	7,613,174	26,977,148	18,403,643	14,980,626	14,357,047
Taxes paid.....	354,578,692	7,794,100	16,562,167	13,367,797	12,839,309	13,723,234
Interest paid.....	966,659,473	94,065,566	3,302,831	4,072,227	4,680,512	5,928,769
Contributions or gifts.....	8,667,513	137,324	88,276	76,791	86,564	111,695
Amortization.....	74,336,292	2,031,689	446,673	554,942	443,789	510,639
Depreciation.....	542,490,397	12,755,666	7,447,959	8,298,166	8,629,263	10,263,308
Depletion.....	9,685,686	210,724	25,110	19,050	15,956	31,722
Advertising.....	198,214,266	3,461,760	5,816,308	4,432,509	4,287,635	4,488,714
Pension, profit-sharing, stock bonus, and annuity plans.....	71,689,478	1,165,570	5,243,494	2,568,708	2,240,481	2,536,110
Employee benefit programs.....	195,453,372	4,686,521	4,536,033	3,545,508	3,806,947	4,538,864
Net loss, noncapital assets.....	21,309,505	3,010,762	510,012	184,526	218,038	464,615
Other deductions.....	2,188,550,940	76,535,872	107,975,331	65,406,709	59,053,050	59,406,879
<b>Total receipts less total deductions.....</b>	<b>834,529,989</b>	<b>6,227,211</b>	<b>17,066,227</b>	<b>12,020,024</b>	<b>10,322,068</b>	<b>11,285,144</b>
Constructive taxable income from related foreign corporations.....	52,822,281	348,414	--	2,894	( <sup>4</sup> )	*892
<b>Net income (less deficit), total.....</b>	<b>838,223,591</b>	<b>5,906,399</b>	<b>17,056,225</b>	<b>11,997,706</b>	<b>10,300,564</b>	<b>11,198,253</b>
Net income, total.....	1,091,150,050	27,738,732	31,794,659	20,856,168	19,017,025	20,957,639
Deficit, total.....	252,926,459	21,832,333	14,738,435	8,858,462	8,716,462	9,759,386
Net income (less deficit), Form 1120-A.....	287,631	35,716	140,766	81,179	29,970	--
Net income (less deficit), Form 1120-F.....	-1,759,178	-1,759,178	--	--	--	--
Net income (less deficit), Form 1120S..... <sup>5</sup>	124,859,425	404,208	18,167,901	10,627,945	8,494,674	9,590,645
<b>Statutory special deductions, total.....</b>	<b>261,305,651</b>	<b>6,592,847</b>	<b>2,566,019</b>	<b>1,978,553</b>	<b>1,790,933</b>	<b>1,766,695</b>
Net operating loss deduction.....	52,678,450	4,094,072	2,543,814	1,914,837	1,717,888	1,664,599
Dividends received deduction.....	23,951,279	261,451	11,985	60,042	71,027	82,107
Public utility dividends paid deduction.....	37,798	129	--	--	--	--
<b>Income subject to tax <sup>7</sup>.....</b>	<b>663,385,528</b>	<b>17,512,482</b>	<b>3,099,873</b>	<b>3,661,521</b>	<b>4,552,926</b>	<b>5,754,675</b>
<b>Total income tax before credits <sup>8</sup>.....</b>	<b>231,399,671</b>	<b>6,187,427</b>	<b>604,060</b>	<b>689,987</b>	<b>905,226</b>	<b>1,352,264</b>
Income tax.....	228,021,519	6,004,405	601,351	684,682	905,245	1,344,198
Personal Holding Company tax.....	12,937	*54	*810	*1,453	*693	*946
Recapture taxes..... <sup>9</sup>	3,938	*28	--	--	--	--
Alternative minimum tax.....	3,324,799	98,251	5,866	4,105	5,300	6,783
Foreign tax credit.....	37,396,469	846,992	*391	*1,674	*678	*1,349
U.S. possessions tax credit.....	2,393,331	1,738	102	11	1,281	35
Nonconventional source fuel credit.....	1,029,728	13,605	3	2	*413	*7
General business credit.....	5,601,399	152,081	5,778	8,767	14,513	16,655
Prior-year minimum tax credit..... <sup>10</sup>	3,432,896	43,368	*700	*2,200	3,617	13,415
<b>Total income tax after credits.....</b>	<b>181,545,146</b>	<b>5,129,643</b>	<b>597,085</b>	<b>677,333</b>	<b>884,724</b>	<b>1,320,803</b>

Footnotes at end of table.

# Corporation Income Tax Returns, 1998

**Table 3.--Selected Balance Sheet, Income Statement, and Tax Items by Asset Size--Continued**

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars]

Item	Size of total assets--continued						
	\$1,000,000 under	\$5,000,000 under	\$10,000,000 under	\$25,000,000 under	\$50,000,000 under	\$100,000,000 under	\$250,000,000 or more
	\$5,000,000	\$10,000,000	\$25,000,000	\$50,000,000	\$100,000,000	\$250,000,000	more
(7)	(8)	(9)	(10)	(11)	(12)	(13)	
<b>Number of returns.....</b>	<b>347,416</b>	<b>52,411</b>	<b>32,977</b>	<b>12,948</b>	<b>8,862</b>	<b>8,208</b>	<b>9,669</b>
<b>Total assets.....</b>	<b>731,984,452</b>	<b>363,016,963</b>	<b>506,967,578</b>	<b>455,366,076</b>	<b>629,654,520</b>	<b>1,294,209,522</b>	<b>32,773,828,703</b>
Cash.....	82,390,193	37,000,923	48,280,348	35,975,437	41,082,509	64,314,388	922,105,394
Notes and accounts receivable.....	153,537,614	80,657,706	114,784,600	110,837,690	155,892,757	290,109,548	6,068,687,722
Less: Allowance for bad debts.....	2,312,988	1,394,605	2,837,014	2,829,517	4,100,361	6,907,939	106,603,790
Inventories.....	130,483,290	73,515,273	84,653,640	51,880,867	50,576,792	76,173,162	592,651,432
Investments in U.S. Government obligations.....	3,245,495	2,808,000	8,160,120	17,679,938	35,515,367	75,662,399	1,221,383,584
Tax-exempt securities.....	1,971,265	1,671,271	4,374,336	9,457,270	22,329,192	67,917,942	850,084,379
Other current assets.....	42,080,281	21,104,098	29,252,230	25,395,528	30,662,233	58,100,202	2,502,578,444
Loans to stockholders.....	11,689,481	3,902,217	4,084,739	2,331,163	2,239,519	3,192,658	81,625,769
Mortgage and real estate loans.....	7,479,633	3,843,239	6,068,776	10,174,059	26,045,443	74,772,521	2,280,260,862
Other investments.....	54,333,526	32,907,572	61,966,584	76,731,954	131,337,333	348,404,653	12,462,444,339
Depreciable assets.....	396,068,268	166,070,726	214,335,818	154,218,808	163,304,928	257,354,945	4,737,284,792
Less: Accumulated depreciation.....	215,201,291	86,156,114	107,104,883	74,030,001	75,387,627	111,088,579	2,076,129,209
Depletable assets.....	2,493,820	1,133,295	2,685,040	2,894,652	4,610,555	8,920,765	167,575,642
Less: Accumulated depletion.....	1,119,502	543,573	1,117,679	1,117,664	2,227,616	3,933,442	80,934,136
Land.....	40,609,849	14,018,633	16,541,427	10,699,793	10,186,771	13,850,754	133,452,608
Intangible assets (amortizable).....	18,373,127	8,993,276	17,018,694	18,962,418	29,825,988	63,651,537	1,195,842,915
Less: Accumulated amortization.....	6,576,973	2,871,818	5,064,943	4,213,681	6,283,708	10,573,088	187,742,895
Other assets.....	12,439,362	6,356,844	10,885,746	10,416,362	14,044,447	24,287,097	2,009,260,851
<b>Total liabilities.....</b>	<b>731,984,452</b>	<b>363,016,963</b>	<b>506,967,578</b>	<b>455,366,076</b>	<b>629,654,520</b>	<b>1,294,209,522</b>	<b>32,773,828,703</b>
Accounts payable.....	104,059,142	51,112,777	66,260,530	49,177,782	57,008,308	93,394,952	2,006,469,920
Mortgages, notes, and bonds payable in less than 1 year.....	95,007,000	59,288,862	71,652,672	45,432,458	43,808,858	69,308,033	2,773,082,128
Other current liabilities.....	68,158,027	37,350,501	65,346,184	89,700,495	162,612,931	345,689,026	7,984,759,751
Loans from stockholders.....	55,291,760	16,747,231	16,385,584	9,000,791	7,047,947	8,877,253	132,760,945
Mortgages, notes, and bonds payable in 1 year or more.....	160,884,346	69,079,601	92,612,909	73,258,354	88,303,856	170,307,972	4,020,224,705
Other liabilities.....	34,688,840	21,393,268	34,168,792	24,737,808	28,644,946	50,337,486	4,314,282,469
Net worth.....	213,895,337	108,044,721	160,540,907	164,058,388	242,227,675	556,294,800	11,542,248,785
Capital stock.....	53,156,239	25,037,445	38,998,602	35,718,796	48,036,540	98,776,379	2,876,777,438
Paid-in or capital surplus.....	96,267,933	55,263,296	99,461,105	109,513,940	176,311,277	408,806,871	7,577,728,133
Retained earnings, appropriated.....	1,853,159	645,254	1,192,417	959,997	1,596,409	4,533,209	171,804,717
Retained earnings, unappropriated.....	79,651,643	33,164,629	29,509,222	23,766,835	31,289,833	64,428,740	2,946,027,471
Adjustments to shareholders equity.....	357,582	126,317	-629,229	-160,824	331,296	736,827	-4,307,270
Less: Cost of treasury stock.....	17,391,220	6,192,220	7,991,209	5,740,355	15,337,681	20,987,226	2,025,781,705
<b>Total receipts.....</b>	<b>1,554,200,931</b>	<b>751,537,041</b>	<b>878,602,162</b>	<b>545,850,843</b>	<b>529,568,062</b>	<b>790,116,879</b>	<b>9,906,918,450</b>
Business receipts.....	1,518,864,579	733,657,776	852,813,234	522,037,985	492,533,393	714,404,628	8,017,940,972
Interest.....	4,040,555	2,289,197	4,702,365	7,557,480	14,874,535	36,923,457	1,033,877,665
Interest on State and local Government obligations.....	276,808	182,768	412,625	629,473	1,428,940	4,127,771	41,256,565
Rents.....	1,725,127	870,633	1,469,874	1,189,154	1,429,415	2,744,405	90,263,595
Royalties.....	405,242	290,419	476,920	601,277	1,001,425	2,083,449	87,733,073
Net short-term capital gain less net long-term capital loss.....	328,163	162,743	344,687	442,992	689,313	2,332,981	31,620,339
Net long-term capital gain less net short-term capital loss <sup>2</sup> .....	3,500,636	2,038,240	3,348,984	1,987,916	2,917,790	3,821,400	97,126,281
Net gain, noncapital assets.....	2,709,875	1,326,651	1,572,817	1,049,319	1,182,987	2,049,020	50,659,336
Dividends, domestic corporations.....	391,788	160,107	254,974	225,688	301,577	586,220	17,516,192
Dividends, foreign corporations.....	48,458	64,918	157,880	170,535	345,461	1,192,433	46,725,131
Other receipts.....	21,909,699	10,493,590	13,047,802	9,959,025	12,863,226	19,851,116	392,199,301

Footnotes at end of table.



# Corporation Income Tax Returns, 1998

**Table 3.--Selected Balance Sheet, Income Statement, and Tax Items by Asset Size--Continued**

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars]

Item	Size of total assets--continued						
	\$1,000,000 under	\$5,000,000 under	\$10,000,000 under	\$25,000,000 under	\$50,000,000 under	\$100,000,000 under	\$250,000,000 or more
	\$5,000,000	\$10,000,000	\$25,000,000	\$50,000,000	\$100,000,000	\$250,000,000	more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>Total deductions.....</b>	<b>1,523,705,415</b>	<b>736,230,643</b>	<b>861,199,610</b>	<b>533,743,410</b>	<b>511,935,488</b>	<b>754,830,764</b>	<b>9,257,539,723</b>
Cost of goods sold.....	1,011,173,839	534,914,034	617,621,782	366,331,509	333,948,696	475,685,549	4,974,464,275
Compensation of officers.....	58,263,849	16,928,959	16,691,541	8,638,142	7,082,177	8,475,274	50,987,124
Salaries and wages <sup>3</sup> .....	150,819,850	62,981,371	73,784,615	48,983,589	49,313,377	75,040,619	856,656,948
Repairs.....	10,276,835	3,995,754	4,128,438	2,677,757	2,679,958	4,470,721	81,160,326
Bad debts.....	4,100,699	1,864,685	2,353,377	1,661,509	2,230,976	3,053,828	56,764,215
Rent paid on business property.....	32,806,117	11,042,577	13,365,700	8,456,326	8,608,351	12,894,127	138,812,822
Taxes paid.....	33,967,360	13,677,903	15,483,065	9,744,248	9,790,299	15,017,382	192,611,828
Interest paid.....	19,428,286	8,970,280	13,371,265	11,159,101	15,817,182	30,482,565	755,380,891
Contributions or gifts.....	298,129	125,783	178,439	157,792	179,684	331,094	6,895,942
Amortization.....	1,584,549	833,016	1,442,852	1,509,048	1,997,791	3,879,166	59,102,139
Depreciation.....	29,040,296	12,207,740	16,570,223	12,078,769	13,218,378	21,445,281	390,535,348
Depletion.....	117,247	96,444	223,322	266,780	294,887	539,398	7,845,045
Advertising.....	12,787,934	6,027,504	8,110,262	5,702,988	5,852,791	8,490,164	128,755,697
Pension, profit-sharing, stock bonus, and annuity plans.....	5,797,543	2,328,866	2,660,772	1,768,973	1,727,404	2,678,003	40,973,554
Employee benefit programs.....	13,598,090	6,033,964	7,713,298	5,558,697	5,830,881	9,598,332	126,006,236
Net loss, noncapital assets.....	1,093,598	498,385	853,063	890,602	814,582	1,857,304	10,914,017
Other deductions.....	138,551,195	53,703,378	66,647,597	48,157,582	52,548,073	80,891,957	1,379,673,316
<b>Total receipts less total deductions.....</b>	<b>30,495,515</b>	<b>15,306,398</b>	<b>17,402,552</b>	<b>12,107,433</b>	<b>17,632,574</b>	<b>35,286,116</b>	<b>649,378,727</b>
Constructive taxable income from related foreign corporations.....	12,069	43,542	71,216	89,133	183,561	713,189	51,357,371
<b>Net income (less deficit), total.....</b>	<b>30,230,776</b>	<b>15,167,172</b>	<b>17,061,143</b>	<b>11,567,093</b>	<b>16,387,195</b>	<b>31,871,533</b>	<b>659,479,533</b>
Net income, total.....	58,040,402	27,570,279	35,260,977	24,393,300	28,182,559	50,239,705	747,098,605
Deficit, total.....	27,809,626	12,403,106	18,199,834	12,826,207	11,795,364	18,368,172	87,619,072
Net income (less deficit), Form 1120-A.....	--	--	--	--	--	--	--
Net income (less deficit), Form 1120-F.....	--	--	--	--	--	--	--
Net income (less deficit), Form 1120-S. <sup>5</sup> .....	25,487,957	13,079,886	14,934,966	7,968,303	5,849,835	5,942,177	4,310,927
<b>Statutory special deductions, total.<sup>6</sup>.....</b>	<b>4,422,716</b>	<b>1,915,054</b>	<b>3,239,041</b>	<b>3,266,234</b>	<b>5,563,977</b>	<b>13,632,212</b>	<b>214,571,371</b>
Net operating loss deduction.....	3,959,193	1,607,617	2,446,467	1,847,880	2,657,153	4,049,960	24,174,970
Dividends received deduction.....	308,984	144,606	250,422	261,275	376,260	806,012	21,317,108
Public utility dividends paid deduction.....	--	--	65	276	<sup>(4)</sup>	3	37,325
<b>Income subject to tax.<sup>7</sup>.....</b>	<b>18,393,364</b>	<b>9,534,685</b>	<b>13,814,282</b>	<b>11,737,371</b>	<b>15,692,539</b>	<b>29,703,059</b>	<b>529,928,750</b>
<b>Total income tax before credits.<sup>8</sup>.....</b>	<b>5,651,814</b>	<b>3,241,430</b>	<b>4,771,411</b>	<b>4,082,543</b>	<b>5,491,351</b>	<b>10,490,105</b>	<b>187,932,053</b>
Income tax.....	5,576,336	3,192,475	4,682,390	4,000,106	5,384,166	10,275,211	185,370,955
Personal Holding Company tax.....	3,064	2,813	1,838	1,081	83	27	76
Recapture taxes. <sup>9</sup> .....	*473	7	268	139	522	18	2,481
Alternative minimum tax.....	71,555	51,536	86,167	75,482	107,479	203,747	2,608,529
Foreign tax credit.....	13,173	32,134	53,964	57,836	153,311	499,144	35,735,824
U.S. possessions tax credit.....	9,395	18,035	48,119	74,803	127,075	415,465	1,697,272
Nonconventional source fuel credit.....	*441	*1,855	3,424	2,132	4,083	10,308	993,454
General business credit.....	44,641	33,585	51,305	59,992	91,083	158,411	4,964,587
Prior-year minimum tax credit.....	102,533	50,000	65,150	64,700	74,724	110,336	2,902,152
<b>Total income tax after credits.<sup>10</sup>.....</b>	<b>5,481,631</b>	<b>3,105,822</b>	<b>4,549,447</b>	<b>3,823,080</b>	<b>5,041,075</b>	<b>9,296,441</b>	<b>141,638,062</b>

Footnotes at end of table.

# Corporation Income Tax Returns, 1998

**Table 3.--Selected Balance Sheet, Income Statement, and Tax Items by Asset Size--Continued**

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars]

**Footnotes**

\* Estimate should be used with caution because of the small number of sample returns on which it was based.

<sup>1</sup> Zero-assets class includes returns of liquidating or dissolving corporations that had disposed of all assets, final returns of merging companies whose assets were included in the returns of the acquiring corporations, part-year returns (except those of newly-incorporated businesses), and returns of foreign corporations with income "effectively connected" with a U.S. trade or business (except foreign insurance companies providing separate data for U.S. branches, assets for which are included in the appropriate size class).

<sup>2</sup> For purposes of the statistics, gains from regulated investment companies and S corporations are excluded.

<sup>3</sup> Prior to the publication of the *Source Book of Statistics of Income--1994, Corporation Income Tax Returns*, data for "salaries and wages" were included in the totals for "other deductions." The figure shown here excludes amounts in the cost of goods sold, as well as amounts in certain other deductions.

<sup>4</sup> Amount is less than \$500.

<sup>5</sup> Net income of S corporations is distributed (with few exceptions) through their shareholders and is taxed as shareholder income. This income is not a part of the corporation's income subject to tax.

<sup>6</sup> Also includes deductions for dividends paid by regulated investment companies and real estate investment trusts. These deductions are not shown separately.

<sup>7</sup> See Footnote 5. Also excludes net long-term capital gain reduced by net short-term capital loss of regulated investment companies.

<sup>8</sup> For purposes of the statistics, all of the taxes shown below (except the income tax), plus certain others not shown, are included in total income tax before and after credits.

By law, tax credits could only offset income tax.

<sup>9</sup> The amount shown for "Recapture taxes" includes recapture taxes of investments, low-income housing, qualified electric vehicle, and Indian employment credits.

<sup>10</sup> Amount for total income tax after credits includes certain other credits not shown separately.

NOTE: Detail may not add to totals due to rounding.